

23rd August, 2022

To,
The Assistant Vice-President
The National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

To,
The General Manager
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub :Annual Report of the Company for the F Y 2021-22.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2021-22 along with Notice of the Thirty Fifth Annual General Meeting of the Company scheduled to be held on Saturday, 17th September, 2022 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means. The aforesaid Annual Report is also available on the website of the company at www.sanghiment.com.

This is for your information and record.

Thanking you,
Yours faithfully,
For **Sanghi Industries Ltd**



Anil Agrawal
Company Secretary
Encl: As above



Sanghi Industries Limited

CIN No. : L18209TG1985PLC005581

Registered Office : P.O. Sanghinagar, Hayatnagar Mandal, R R District, Telangana - 501511.

Tel. : 08415 - 242240 E-mail : companysecretary@sanghiment.com

Website : www.sanghiment.com

SANGHI INDUSTRIES LIMITED

CIN No.: L18209TG1985PLC005581

Regd. Office: Sanghinagar P. O. Hayatnagar Mandal, R. R. District, Telangana - 501511

Tel. 08415-242240, Email : companysecretary@sanghiment.com

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty Fifth Annual General Meeting** of the Members of **M/s. Sanghi Industries Limited** will be held on Saturday, the 17th day of September, 2022 at 11.00 a.m. through Video Conferencing or other audio visual means to transact the following business and the place of the meeting shall be deemed to be the registered office of the Company:

Ordinary Business:

1. To receive, consider and adopt financial statements of the Company including Audited Balance Sheet as at 31st March, 2022, Statement of Profit and Loss and Cash Flow for the year ended on that date together with the Directors' Report and also the Auditors' Report thereon.
2. To appoint a Director in place of Shri Alok Sanghi (holding DIN:00033506), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Chaturvedi & Shah LLP, Chartered Accountants & M/s. S. K. Mehta & Co., Chartered Accountants, as Joint Statutory Auditors and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT pursuant to provision of section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) Delhi, be and are hereby re-appointed as the Joint Statutory Auditors of the Company for a further term of five consecutive years, who shall hold office from the conclusion of this 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting to be held in the year 2027 at such remuneration as shall be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors.

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT in accordance with the provisions of sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Aditya Sanghi (holding DIN: 00033755) as a Whole Time Director (Executive Director) of the Company with effect from 6th September, 2022, for a period of five years on the terms and conditions including remuneration payable to him for the period of three years with effect from 6th September, 2022 as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Aditya Sanghi, as minimum remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Aditya Sanghi, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT in accordance with the provisions of sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Alok Sanghi (holding DIN: 00033506) as a Whole Time Director (Executive Director) of the Company with effect from 6th September, 2022, for a period of five years on the terms and conditions including remuneration payable to him for the period of three years with effect from 6th September, 2022 as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Alok Sanghi, as minimum remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Alok Sanghi, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT in accordance with the provisions of sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Smt. Bina Engineer (holding DIN: 01653392) as a Whole Time Director (Executive Director) of the Company with effect from 6th September, 2022, for a period of five years on the terms and conditions including remuneration payable to her for the period of three years with effect from 6th September, 2022 as set out in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Smt. Bina Engineer, as minimum remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Smt. Bina Engineer, the remuneration payable to her as prescribed in explanatory statement subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Sundaram Balasubramanian (holding DIN: 02849971), who was appointed as a Non-executive Independent Director of the Company w.e.f. 9th November, 2017 for a term of five consecutive years and who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Non-executive Independent Director of the Company for a further period five consecutive years w.e.f. 9th November, 2022 and shall not be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.”

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 approval be and is hereby granted for re-appointment as well as continuing the directorship of Shri Sundaram Balasubramanian as an Independent Director of the Company who has attained the age of 75 years.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri G.M. Yadwadkar (holding DIN: 01432796), who was appointed as an Additional Director of the Company by the Board of Directors (and categorized as ‘Independent Director’) w.e.f. 23rd June, 2022 and who holds office as an Additional Director upto the date of ensuing General Meeting or upto three months from the date of his appointment, whichever is earlier, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 23rd June, 2022.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sudhir Nanavati (holding DIN:00050236), who was appointed as an Additional Director of the Company by the Board of Directors (and categorized as ‘Independent Director’) w.e.f. 23rd June, 2022 and who holds office as an Additional Director upto the date of ensuing General Meeting or upto three months from the date of his appointment, whichever is earlier, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 23rd June, 2022.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 approval be and is hereby granted for appointing/ continuing the Directorship of Shri Sudhir Nanavati as an Independent Director of the Company who will attain the age of 75 years in September, 2022.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Section 148 and all the applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) the consent of members be and is hereby accorded to ratify the remuneration decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of Rs. 3,00,000 (Rupees Three lakhs Only) plus out of pocket expenses and GST, if any to M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad appointed by the Board of Directors to conduct the audit of the Cost records of the Company for the financial year 2022-23.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
Sanghinagar P.O.,
Hayatnagar Mandal, R. R. District,
Telangana – 501 511

By Order of the Board
For **Sanghi Industries Limited**

Place: Ahmedabad
Date : 24th May, 2022

Anil Agrawal
Company Secretary

Notes:

- (1) In view of the COVID-19 global pandemic, the Government of India, Ministry of Corporate Affairs ('MCA') has vide its recent circular dated 5th May, 2022 extended the period allowing the Companies to hold its Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') without personal presence of the members at the meeting till 31st December, 2022. In view of the same and in compliance of with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and various MCA Circular issued from time to time, this AGM of the Company is being held through VC / OAVM.
- (2) Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. The Board of Directors have considered and decided to include Item 3 to 10 given above as they are unavoidable in nature.
- (3) Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate members intending to authorise their representatives to join and vote at the AGM through VC / OAVM facility on its behalf are requested to send the duly certified copy of Board resolution for the same.
- (4) Members attending the meeting through VC / OAVM shall be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.
- (5) The notice and the Annual Report of the Company is being sent to the members through electronic mode whose e-mail ID is registered with the Company. Members whose e-mail ID is not registered are requested to get the same registered with the Company by sending an E mail to: companysecretary@sanghiment.com. The Notice of Annual General Meeting is available on website of the Company www.sanghiment.com and also available on website of National Stock Exchange of India Limited and BSE Limited.
- (6) Members desiring any information as regards the Accounts are requested to write to the Company at least 10 working days before the meeting so as to enable the Management to keep the information ready at the time of meeting and the same shall be provided suitably at the time of meeting.
- (7) Members holding shares in electronic form shall address all communications to their respective Depository Participants only.
- (8) Necessary registers and documents will be available for inspection to the members in electronic mode. The members are required to send an e-mail of their intention of inspection to companysecretary@sanghiment.com
- (9) The members can join this meeting through VC / OAVM means 15 minutes before and 15 minutes after the scheduled time of commencement of meeting by following the procedure mentioned in the Notice. The members are requested to participate on first come first serve basis as participation through VC / OAVM is limited upto 1000 members and will be closed on expiry of 15 minutes from the schedule time of the meeting. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first cum first served basis.
- (10) **Process and manner for members opting for voting through Electronic means:**
 - i. In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various Circulars issued by MCA from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 35th Annual General Meeting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited [CDSL] to facilitate remote e-voting as well as e-voting system during AGM.

- ii. Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on cut-off date i.e. 10th September, 2022 only shall be entitled to avail facility of remote e-voting as well as e-voting system on the date of AGM.
 - iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for remote e-voting or e-voting system on the date of the AGM. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
 - iv. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - v. The Company has appointed Shri Srikant Sangai, Practising Company Secretary, (COP No. 11113) to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system during AGM, in a fair and transparent manner.
- (11) **The instructions for shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:**
1. The remote E- voting period commences at 10.00 a.m. on 14th September, 2022 and ends at 5.00 p.m. on 16th September, 2022 (both days inclusive). During this period the shareholders of the Company holds shares as on the cut-off date (record date) of 10th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
 3. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:
- a) Individual Shareholders holding securities in Demat mode with CDSL**
1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
 3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the

evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

b) Individual Shareholders holding securities in Demat mode with NSDL

1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

c) Individual Shareholders (holding securities in Demat mode) login through their Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e- Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Note: Members who are unable to retrieve their User ID / Password are advised to use Forget User ID and Forget Password option available at the above mentioned website.

d) Shareholders other than individual shareholders should log on to the e-voting website www.evotingindia.com

1. Click on Shareholders.
2. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
3. Next enter the Image Verification as displayed and Click on Login.
4. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
5. If you are a first time user, please enter your PAN Number and Dividend Bank Details or Date of Birth.
6. After entering these details appropriately, click on “SUBMIT” tab.

7. Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. Click on the EVSN of Sanghi Industries Limited for which you choose to vote.
9. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
10. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
11. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
14. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
15. Facility for Non-Individual Shareholders and Custodians – Remote Voting:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporate" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non individual shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer / Company by email through its registered email address to sangaisri@yahoo.com with a copy marked to companysecretary@sanghiment.com.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (12) The instructions for shareholders attending the AGM through VC/OAVM & Evoting during AGM are as under:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. The link for VC / OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
 3. Members who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
 5. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Members who would like to ask questions may send their questions in advance at least (10) working days before AGM mentioning their name, demat account number / folio number, email id, mobile number at companysecretary@sanghiment.com and register themselves as a speaker. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
 8. Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and otherwise not barred from doing so shall be eligible to vote through e- voting system available in the AGM.
 9. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
- (13) The result will be declared on receipt of Scrutinizers Report. The results declared along with the scrutinizer's report will be available on the website of the Company (www.sanghiment.com) and on the website of agency (www.evotingindia.com). The Company shall simultaneously forward the results to NSE and BSE where the equity shares of the Company are listed.
- As the meeting is to be convened through VC / OAVM, the route map is not annexed in this Notice.
- (14) Shri Anil Agrawal, Company Secretary of the Company, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are - Email: companysecretary@sanghiment.com; Phone / Mobile No.: 08415- 242240.
- (15) The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately.
- Members holding shares in electronic form are requested to register their e-mail id for which they are advised to approach their Depository Participants in this regard.
- (16) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with their DPs in case the shares are held in electronic form.

- (17) SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018-49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission, transposition and relodgement of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories.
- (18) Information required to be furnished as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial standards on the General Meeting issued by the Institute of Company Secretaries of India, the particulars of Directors who are proposed to be re-appointed, are given below:

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Membership/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
Shri Alok Sanghi DIN: 00033506	13 th January, 1984	27 th January, 2007	Armed with a degree in Finance and Management from Kelley School of Business, Indiana University Bloomington, USA, Alok Sanghi, brings immense knowledge and experience of the global Financial Services sector. Under his direction the company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the company.	88,92,500 Equity Shares (3.54% of Equity Share Capital)	Nil	Nil	Son of Shri Ravi Sanghi (Chairman and Managing Director) Brother of Shri Aditya Sanghi (Executive Director)	Nil
Shri Aditya Sanghi DIN: 00033755	18 th September, 1982	27 th January, 2007	An alumnus of the reputed Rochester Institute of USA, Aditya Sanghi brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has	88,92,500 Equity Shares (3.54% of Equity Share Capital)	Nil	Nil	Son of Shri Ravi Sanghi (Chairman and Managing Director) Brother of Shri Alok Sanghi (Executive Director)	Nil

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Membership/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
			implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise provides vital direction to the key functions of production, project management and corporate strategy.					
Smt. Bina Engineer DIN: 01653392	13 th April, 1967	27 th January, 2007	B. Com, Chartered Accountant having rich and varied experience of more than three decades in the areas of Project and Corporate finances. She has successfully arranged the project funds, take out finance, working capital requirements etc. She is responsible for the Corporate and Project Finance affairs of the Company	25,000 (0.01% of Equity shares of the Company)	Nil	Nil	None	Nil
Shri Sundaram Balasubramanian DIN: 02849971	3 rd Novem- ber,1942	9 th Novem- ber, 2017	He is a Commerce and Law Graduate and also an Associate Member of the Institutes of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India. He is also a member of Delhi Bar Council. He has vast experience in Corporate Laws. He	Nil	1.Emami Paper Mills Ltd. 2. TTK Healthcare Ltd. 3. GVK Power & Infrastructure Ltd. 4. UCAL Fuel Systems Limited	1.Emami Paper Mills Limited Member -Audit Committee 2. TTK Healthcare Limited- Member-Audit Committee 3. UCAL Fuel Systems Limited Member-Audit	None	Machino Plastics Limited

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Member-ship/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
			was the Chairman of the Company Law Board for 12 years and had dealt with more than 3000 cases.			Committee Chairman – Stakeholders Relationship Committee 4. GVK Power & Infrastructure Ltd. Chairman - Audit Committee 5. Peerless Hotels Ltd. - Member-Audit Committee		
Shri G.M. Yadwadkar	12 th September, 1962	23 rd June, 2022	Mr. Yadwadkar, is a retired deputy Managing Director of IDBI Bank. He has completed his Bachelor's Degree in Engineering from V J Technical Institute, Mumbai and further completed his Masters of Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has done ICWA Intermediate with First Class and has cleared CAIIB with First Class. He has a very rich and varied experience of more than three decades in serving the Banking Industry. He has been instrumental in framing and executing various core policies in IDBI successfully.	Nil	Nil	Nil	None	IDBI Bank Limited

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Member-ship/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
Shri Sudhir Nanavati	29 th September, 1947	23 rd June, 2022	Mr. Nanavati is a multifaceted, magnanimous, and charismatic personality shouldering responsibility as the President of GLS University. He is a Senior Advocate in the Gujarat High Court and the Supreme Court, with more than 50 years of legal experience. While he is widely known for his expertise and acumen in the legal domain, he has broad institution-building capabilities. One of the leading educationists, the Gujarat Law Society has made significant progress under his leadership. He is also an Honorary Doctorate recipient from Gujarat University for his noble service in the fields of legal education and social welfare. He is actively involved in various educational associations, including Forum of Private Universities, GSFC University, Shreyarth University, and National Law University, Delhi, to name a few. He is also appointed as Ambassador of Gujarat for "Swachh	Nil	The Sandesh Limited	The Sandesh Limited: Member Audit Committee, Chairman Stakeholders Relationship Committee and Chairman Nomination and Remuneration Committee	None	Nil

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Membership/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
			Bharat Abhiyan" by the Hon'ble Chief Minister of Gujarat State and the Government of India. He has been awarded "The Contemporary Achiever Award" by Divya Bhaskar, the "Gold Star Award" by the Indian Achievers Forum for Excellence in Education and the "Indian Achiever Award" by the Indo-Thai Business Community Forum.					

*Only Audit and Stakeholders Committee of other Public Limited Companies.

CONTACT DETAILS:

Company	Sanghi Industries Ltd. E-mail ID: companysecretary@sanghiment.com
E-voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com
Scrutinizer	Shri Srikanth Sangai, Practising Company Secretary. Email id: sangaisri@yahoo.com

ANNEXURE TO THE NOTICE

Explanatory Statement

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

In conformity with the provisions Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to special businesses contained in the accompanying Notice.

Item No. 3

M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) Delhi, were appointed as Joint Statutory Auditors of the Company at the 30th Annual General Meeting ('AGM') held on 3rd July, 2018 for a period of 5 years, upto the conclusion of 35th AGM pursuant to the provisions of Section 139 of the Companies Act, 2013. They are eligible for re-appointment for a further period of 5 years.

M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) Delhi are very reputed Audit firms. Based on the recommendations of the Audit Committee and taking into account their past performance, their experience and expertise, the Board of Directors of the Company at their Meeting held on 24th May, 2022 approved their re-appointment for a further period of five years from the conclusion of this 35th Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the year 2027 at an Annual Remuneration of Rs. 37 lakhs (Rupees Thirty Seven Lakhs) for the financial year ending 31st March, 2023 plus out of pocket expenses and applicable taxes, if any, which is subject to approval of shareholders in Annual General Meeting. The remuneration of the subsequent years of their tenure shall be finalised / determined based on the recommendations of the Audit Committee considering their scope of work and other relevant facts and as mutually decided between the Board of Directors and joint Auditors.

M/s. Chaturvedi & Shah LLP and M/s. S. K. Mehta & Co. have given their consent for their re-appointment as Joint Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. They have also confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder and that they are independent from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Both the firms hold the valid 'Peer Review' certificate as issued by 'ICAI'.

In accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 approval of members by way of Ordinary Resolution is required for re-appointment of Joint Statutory Auditors of the Company.

Accordingly, the Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financial or otherwise, in the proposed resolution.

Item No. 4

Shri Aditya Sanghi is a Whole Time Director of the Company and his tenure as a Whole Time Director will expire / complete on 5th September, 2022.

He is an alumnus of the reputed Rochester Institute of USA. He brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.

During his tenure as a Whole Time Director of the Company he has continuously contributed in the growth of the Company. Considering his education, expertise, knowledge, skill and taking into account other several aspects and on the recommendations of Nomination and remuneration committee, the Board of Directors of the Company have at their meeting held on 24th May, 2022, re-appointed him as a Whole Time Director of the Company for a further period of five years w.e.f. 6th September, 2022 including payment

of remuneration for a period of three years from 6th September, 2022 and on the terms and conditions as mentioned below which is subject to the approval of the shareholders:

- A. Salary: Rs. 1.25 Crore (Rupees One Crore Twenty Five Lacs Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

- B. In addition to above (A), commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

- C. Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

- D. He shall be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Aditya Sanghi as mentioned above as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Shri Aditya Sanghi will be of immense value to the Company. Your Directors, therefore, recommend his re-appointment as a Whole Time Director of the Company and passing of the proposed Special Resolution.

Except Shri Aditya Sanghi, being an appointee, Shri Ravi Sanghi and Shri Alok Sanghi being relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

- Nature of Industry : Cement Industry
- The commercial operations have already begun.
- The Company is not a new Company
- Financial performance:

(Rs. In Crore)

Particulars	Year ended (Audited) 31.03.2022	Year ended (Audited) 31.03.2021
Total Income	1140.52	948.17
Operating Profit	120.92	176.28
Profit Before Tax	56.75	112.58
Profit After Tax	40.62	78.19
Total Comprehensive Income	40.49	78.38

5. There was export earnings amounting to Rs. 6532.85 lacs and outgo of Rs. 9595.97 lacs including Rs 4549.21 lacs towards Capital Expenditure during the financial year 2021-22.
6. There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

1. Background details: Shri Aditya Sanghi is an alumnus of the reputed Rochester institute of USA and has work experience with leading American Companies. He has rich hands on experience in management of the operations of the clinker and cement and implementation and operation of thermal power plant. He has implemented many best practices of the manufacturing and has successfully executed diverse projects for the Company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.
2. Past Remuneration: Shri Aditya Sanghi was paid remuneration of Rs. 10.42 Lakhs per month plus perquisites and benefits during the financial year 2021-22.
3. Recognition and awards: Shri Aditya Sanghi was honored with “Young Entrepreneur of Kutch Award” in the Jury Special Awards Category by then Hon’ble Chief Minister of Gujarat State Smt. Anandiben Patel in the ceremony of “The FOKIA Excellence Awards -2013.” Mr. Aditya Sanghi has also written various research articles on the process of manufacturing of cement.
4. Job profile and his suitability: The Whole-time Director is responsible for production, project and corporate strategy subject to the superintendence, control and direction of the Board of Directors. He has rich hands on experience in the management of clinker operations and cement and implementation and operation of thermal power plant. His experience and knowledge has helped the Company to a great extent.
5. Remuneration proposed: As per details given below.
6. There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.
7. Besides the proposed remuneration and shareholding, Shri Aditya Sanghi has no pecuniary relationship directly or indirectly with the Company.

III. Other information:

During the year ended 31st March 2022, the total revenue was Rs. 1140.52 Crores against Rs. 948.17 Crores in the previous year. Company reported a net profit after tax of Rs. 40.62 Crores for the year ended 31st March, 2022 as against a profit of Rs. 78.19 crores in the previous fiscal year. The Total Comprehensive Income for the year is Rs. 40.49 Crores against Rs. 78.38 Crores in previous year. The earnings per share (EPS) for 2021-22 stood at Rs. 1.62 as against EPS of Rs. 3.12 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Due to increase in cost of raw materials consumed, power and fuel, selling expenses etc there is impact on Company's profitability and hence the profits are lower as compared to previous years. However, the Company is very positive about its future potential in the Industry and the continuous and untiring efforts of the Company will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Aditya Sanghi for improvement in Manufacturing process.

IV. Disclosures:

A. Salary:

Rs. 1.25 Crore (Rupees One Crore Twenty Five lac Only) per annum. The Nomination and Remuneration committee may give increment up to 25 % of last salary drawn depending upon work performance, working of the Company etc. as per the rules of the Company.

B. Commission:

Commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites:

1. Gratuity: The Company shall pay gratuity as per the Company's rules.
2. Leave: He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. Notice period: The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. Stock option: The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 5

Shri Alok Sanghi is a Whole Time Director of the Company and his tenure as a Whole Time Director will expire / complete on 5th September, 2022.

He is armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA. He, brings immense knowledge and experience of the global Financial Services sector. Under his direction the company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the company.

During his tenure as a Whole Time Director of the Company he has continuously contributed in the growth of the Company. Considering his education, expertise, knowledge, skill and taking into account other several aspects and on the recommendations of Nomination and remuneration committee, the Board of Directors of the Company have at their meeting held on 24th May, 2022, re-appointed him as a Whole Time Director of the Company for a further period of five years w.e.f. 6th September, 2022 including payment of remuneration for a period of three years from 6th September, 2022 and on the terms and conditions as mentioned below which is subject to the approval of the members:

- A. Salary: Rs. 1.25 Crore (Rupees One Crore Twenty Five Lacs Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

- B. In addition to above (A), commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

- D. He shall be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Alok Sanghi as mentioned above as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the re-appointment of and payment of remuneration to Whole Time Director requires the approval

of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Shri Alok Sanghi will be of immense value to the Company. Your Directors, therefore, recommend his re-appointment as a Whole Time Director of the Company and passing of the proposed Special Resolution.

Except Shri Alok Sanghi, being an appointee, Shri Ravi Sanghi and Shri Adita Sanghi being relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

1. Nature of Industry : Cement Industry
2. The commercial operations have already begun.
3. The Company is not a new Company
4. Financial performance:

(Rs. In Crore)

Particulars	Year ended (Audited) 31.03.2022	Year ended (Audited) 31.03.2021
Total Income	1140.52	948.17
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Profit Before Tax	56.75	112.58
Profit After Tax	40.62	78.19
Total Comprehensive Income	40.49	78.38

5. There was export earnings amounting to Rs. 6532.85 lacs and outgo of Rs. 9595.97 lacs including Rs 4549.21 lacs towards Capital Expenditure during the financial year 2021-22.
6. There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

1. Background details: Shri Alok Sanghi is armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, He, brings immense knowledge and experience of the global Financial Services sector. Under his direction the company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the company.
2. Past Remuneration: Shri Alok Sanghi was paid remuneration of Rs. 10.42 Lakhs per month plus perquisites and benefits during the financial year 2021-22.
3. Recognition and awards: Shri Alok Sanghi was honored with "Young Entrepreneur of Kutch Award" in the Jury Special Awards Category by then Hon'ble Chief Minister of Gujarat State Smt. Anandiben Patel in the ceremony of "The FOKIA Excellence Awards - 2013." Mr. Alok Sanghi has also written various research articles on the marketing strategies and corporate affairs.
4. Job profile and his suitability: The Whole-time Director is responsible for marketing and corporate strategies subject to the superintendence, control and direction of the Board of Directors. His experience and knowledge has helped the Company to a great extent.
5. Remuneration proposed: As per details given below.
6. There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

7. Besides the proposed remuneration and Shareholding, Shri Alok Sanghi has no pecuniary relationship directly or indirectly with the Company.

III. Other information:

During the year ended 31st March 2022, the total revenue was Rs. 1140.52 Crores against Rs. 948.17 Crores in the previous year. Company reported a net profit after tax of Rs. 40.62 Crores for the year ended 31st March, 2022 as against a profit of Rs. 78.19 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 40.49 Crores against Rs. 78.38 Crores in previous year. The earnings per share (EPS) for 2021-22 stood at Rs. 1.62 as against EPS of Rs. 3.12 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Due to increase in cost of raw materials consumed, power and fuel, selling expenses etc there is impact on Company's profitability and hence the profits are lower as compared to previous years. However, the Company is very positive about its future potential in the industry and the continuous and untiring efforts of the Company will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Alok Sanghi for improvement and development of the Company

IV. Disclosures:

A. Salary:

Rs. 1.25 Crore (Rupees One Crore Twenty Five lac Only) per annum. The Nomination and Remuneration committee may give increment up to 25 % of last salary drawn depending upon work performance, working of the Company etc. as per the rules of the Company.

B. Commission:

Commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites:

1. Gratuity: The Company shall pay gratuity as per the Company's rules.
2. Leave: He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. Notice period: The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. Stock option: The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 6

Smt. Bina Engineer is a Whole Time Director of the Company and her tenure as a Whole Time Director will expire / complete on 5th September, 2022.

She is a qualified Chartered Accountant having rich and varied experience of more than three decades in the areas of Project and Corporate finances. She has successfully arranged the project funds, take out finance, working capital requirements etc. Presently, she is responsible for the Corporate and Project Finance affairs of the Company. During her tenure as Whole Time Director, she has continuously contributed to great extent in the growth of the Company.

During her tenure as a Whole Time Director of the Company she has continuously contributed in the growth of the Company. Considering her education, expertise, knowledge, skill and taking into account other several aspects and on the recommendations of Nomination and remuneration committee, the Board of Directors of the Company have at their meeting held on 24th May, 2022, re-appointed her as a Whole Time

Director of the Company for a further period of five years w.e.f. 6th September, 2022 including payment of remuneration for a period of three years from 6th September, 2022 and on the terms and conditions as mentioned below which is subject to the approval of the members:

- A. Salary: Rs. 1.25 Crore (Rupees One Crore Twenty Five Lacs Only) per annum with suitable break up as per the rules of the Company.
- She will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.
- B. In addition to above (A), commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.
- C. Perquisites:
- Gratuity: The Company shall pay gratuity as per the Company's rules.
- Leave: She shall be entitled to leave benefits as per the Company's rules.
- D. She shall be liable to Retire by Rotation.
- She shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Smt. Bina Engineer as mentioned above as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Smt. Bina Engineer will be of immense value to the Company. Your Directors, therefore, recommend her re-appointment as a Whole Time Director of the Company and passing of the proposed Special Resolution.

Except Smt. Bina Engineer, being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

- Nature of Industry : Cement Industry
- The commercial operations have already begun.
- The Company is not a new Company
- Financial performance:

(Rs. In Crore)

Particulars	Year ended (Audited) 31.03.2022	Year ended (Audited) 31.03.2021
Total Income	1140.52	948.17
Operating Profit	120.92	176.28
Profit Before Tax	56.75	112.58
Profit After Tax	40.62	78.19
Total Comprehensive Income	40.49	78.38

5. There was export earnings amounting to Rs. 6532.85 lacs and outgo of Rs. 9595.97 lacs including Rs 4549.21 lacs towards Capital Expenditure during the financial year 2021-22.
6. There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

1. Background details: Smt. Bina Engineer is a qualified Chartered Accountant having rich and varied experience of more than three decades in the areas of Project and Corporate finances. She has successfully arranged the project funds, take out finance, working capital requirements etc.
2. Past Remuneration: Smt. Bina Engineer was paid remuneration of Rs. 10.42 Lakhs per month plus perquisites and benefits during the financial year 2021-22.
3. Recognition and awards: She has been awarded with “Best Woman CFO Award 2018” by Yes Bank and Business World Magazine on 11th May, 2018 at Delhi. Earlier, she has been conferred the Best CA CFO Award 2016 by Institute of Chartered Accountants of India and CFO 100 Roll of Honours – 2018, by CFO India chapter.
4. Job profile and her suitability: Smt. Bina Engineer is responsible for the Corporate and Project Finance affairs of the Company. Her rich and varied experience and knowledge in Project and Corporate Finance has helped the Company to a great extent.
5. Remuneration proposed: As per details given above.
6. There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.
7. Besides the proposed remuneration and shareholding, Smt. Bina Engineer has no pecuniary relationship directly or indirectly with the Company. Also she is not directly or indirectly related to any Director, Promoter or Key Managerial Personnel of the Company.

III. Other information:

During the year ended 31st March 2022, the total revenue was Rs. 1140.52 Crores against Rs. 948.17 Crores in the previous year. Company reported a net profit after tax of Rs. 40.62 Crores for the year ended 31st March, 2022 as against a profit of Rs. 78.19 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 40.49 Crores against Rs. 78.38 Crores in previous year. The earnings per share (EPS) for 2021-22 stood at Rs. 1.62 as against EPS of Rs. 3.12 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Due to increase in cost of raw materials consumed, power and fuel, selling expenses etc there is impact on Company's profitability and hence the profits are lower as compared to previous years. However, the Company is very positive about its future potential in the Industry and the continuous and untiring efforts of the Company will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Smt. Bina Engineer for effective and efficient financial management .

IV. Disclosures:

A. Salary:

Rs. 1.25 Crore (Rupees One Crore Twenty Five lac Only) per annum. The Nomination and Remuneration committee may give increment up to 25 % of last salary drawn depending upon work performance, working of the Company etc. as per the rules of the Company.

B. Commission:

Commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites:

1. Gratuity: The Company shall pay gratuity as per the Company's rules.
2. Leave: She shall be entitled to leave benefits as per the Company's rules.
3. She will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. Notice period: The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. Stock option: The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 7

Shri Sundaram Balasubramanian (holding DIN: 02849971) was appointed as an Independent Director of the Company for a tenure of 5 years till 8th November, 2022.

In accordance with Section 149(10) and (11) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term up to five years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company.

He fulfils the requirement of Independent Director as laid down under Section 149 of the Companies Act, 2013 read with the Rules framed thereunder and is eligible for re-appointment as an Independent Director. The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose candidature of Shri Sundaram Balasubramanian as an Independent Director, to be re-appointed under the provisions of Section 149(10) of the Act.

The Company has received from him a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his re-appointment as an Independent Director. In the opinion of the Board and based on the Board's evaluation, he fulfils the conditions specified in the SEBI Listing Regulations, the Act and the Rules framed thereunder for his re-appointment as an Independent Director from the Company and he is independent of the Management of the Company.

Considering his education, qualification, experience and expertise, performance evaluation, his past association with the Company and other several aspects and taking into account the fact that his association with the Company will be of immense benefit to the Company and on the basis of recommendation by the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed his re-appointment as an Independent Director of the Company for a second term of five years w.e.f. 9th November, 2022.

Further, as per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is also required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years. Approval under said regulation was also obtained at the time of his appointment.

Your Directors recommend the passing of the proposed Special Resolution.

All the relevant documents, i.e. appointment letter, the terms and conditions of the re-appointment of Shri Sundaram Balasubramanian as an Independent Director of the Company is available for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting.

Except Shri Sundaram Balasubramanian, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 8

The Board of Directors of the Company at its meeting held on 24th May 2022 has based on the recommendation of the Nomination and remuneration committee appointed Shri G. M. Yadwadkar as an

Additional Director (to be categorized as an Independent Director) with effect from 23rd June 2022 subject to the approval of members at the ensuing General Meeting.

Shri G. M. Yadwadkar is a retired deputy Managing Director of IDBI Bank. He has completed his Bachelor's Degree in Engineering from V J Technical Institute, Mumbai and further completed his Masters of Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has done ICWA Intermediate with First Class and has cleared CAIIB with First Class. He has a very rich and varied experience of more than three decades in serving the Banking Industry. He has been instrumental in framing and executing various core policies in IDBI successfully.

The Company has received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his appointment as an Independent Director. The Company has also received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing candidature of Shri G. M. Yadwadkar for the office of Director of the Company. In the opinion of the Board, he fulfills the conditions of Independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is Independent of the promoters and Management of the Company.

Pursuant to the provisions of Section 149 and other applicable provisions if any of the provisions of Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of members by way of Special resolution is required for appointment of Independent Director.

Considering his experience, expertise, skills, and knowledge it would be advisable and in the interest of the Company to appoint him as a Director (Independent category) on the Board.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection during business hours by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting.

Your Directors recommend the passing of the proposed Special Resolution.

Except Shri G.M. Yadwadkar, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 9

The Board of Directors of the Company at its meeting held on 24th May 2022 has based on the recommendation of the Nomination and remuneration committee appointed Shri Sudhir Nanavati as an Additional Director (to be categorized as an Independent Director) with effect from 23rd June 2022 subject to the approval of members at the ensuing General Meeting.

Shri Sudhir Nanavati, aged 74 years is a Senior advocate. He is a multifaceted, magnanimous, and charismatic personality shouldering responsibility as the President of GLS University. He is a Senior Advocate in the Gujarat High Court and the Supreme Court, with more than 50 years of legal experience. While he is widely known for his expertise and acumen in the legal domain, he has broad institution- building capabilities. One of the leading educationists, the Gujarat Law Society has made significant progress under his leadership. He is also an Honorary Doctorate recipient from Gujarat University for his noble service in the fields of legal education and social welfare. He is actively involved in various educational associations, including Forum of Private Universities, GSFC University, Shreyarth University, and National Law University, Delhi, to name a few. He is also appointed as Ambassador of Gujarat for "Swachh Bharat Abhiyan" by the Hon'ble Chief Minister of Gujarat State and the Government of India. He has been awarded "The Contemporary Achiever Award" by Divya Bhaskar, the "Gold Star Award" by the Indian Achievers Forum for Excellence in Education and the "Indian Achiever Award" by the Indo-Thai Business Community Forum.

The Company has received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his appointment as an Independent Director. The Company has also received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing candidature of Shri Sudhir Nanavati for the office of Director of the Company. In the opinion of the Board, he fulfills the criteria of Independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is Independent of the promoters and management of the Company.

Pursuant to the provisions of Section 149 and other applicable provisions if any of the provisions of Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of members by way of Special resolution is required for appointment of Independent Director.

Further, as per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is also required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years.

Considering his experience, expertise, skills, and knowledge it would be advisable and in the interest of the Company to appoint him as a Director (Independent category) on the Board and to continue to avail his services on his attaining the age of 75 years in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection during the business hours by the members at the Registered office of the Company between 10.00 am to 5.00 pm on all working days (Monday to Friday) except Saturdays, Sundays and Holidays upto to the date of Annual General Meeting.

Your Directors recommend the passing of the proposed Special Resolution.

Except Shri Sudhir Nanavati, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 10

The Board on recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year 2022-23.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the shareholders is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

Your Directors recommend the passing of the proposed Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office:

Sanghinagar P.O.,
Hayatnagar Mandal, R. R. District,
Telangana – 501 511

By Order of the Board
For **Sanghi Industries Limited**

Place: Ahmedabad
Date : 24th May, 2022

Anil Agrawal
Company Secretary



75
Azadi Ka
Amrit Mahotsav

20
years of operations



SANGHI INDUSTRIES LIMITED

35TH ANNUAL REPORT - 2021-22

Vision

“To be the business leader, delivering superior value to all our stakeholders”

Mission

“Achieve profitable growth and customer delight through innovation, operational excellence, leadership and teamwork to add value for all stakeholders and society.”

Values (Five Cs)

- * Care for all stakeholders
- * Continuous learning and growth
- * Commitment to excellence
- * Corporate Governance based on Trust and Integrity
- * Concern for society

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Board of Directors

Shri Ravi Sanghi	Chairman and Managing Director
Shri Aditya Sanghi	Executive Director
Shri Alok Sanghi	Executive Director
Smt. Bina Engineer	Executive Director
Shri N. B. Gohil	Executive Director
Shri D. K. Kambale	Independent Director
Shri Sadashiv Sawrikar	Independent Director
Shri D.B.N.Rao	Independent Director
Shri S. Balasubramanian	Independent Director
Shri Arvind Agarwal	Independent Director (w.e.f. 12.08.2021)
Ms. Raina Desai	Independent Director

Company Secretary

Shri Anil Agrawal

Joint Statutory Auditors

M/s. Chaturvedi & Shah LLP
Chartered Accountants
Mumbai

M/s. S. K. Mehta & Co.
Chartered Accountants
Delhi

Registered Office

Sanghinagar P.O.
Hayatnagar Mandal, R R District,
Telangana - 501 511
Tel Nos. 08415 - 242240
Fax Nos.08415 - 242239

Cement Works

Village Motiber,
Taluka Abdasa, Kutch District,
Sanghipuram - 370 511, Gujarat
Tel Nos. 02831 - 274131/32/33
Fax Nos.02831 - 274115/23

Corporate Office

10th Floor, Kataria Arcade,
Off. S. G. Highway,
Post: Makaraba,
District: Ahmedabad – 380 051
Tel Nos. 079 - 2683 8000
Fax Nos.079 - 2683 8111

Mumbai Office

110, B Wing, Krishna Commercial Centre,
6, Udyog Nagar, Near Kamath Club,
S.V.Road, Goregaon (West),
Mumbai – 400 062
Tel Nos. 022 – 2871 3120
Fax Nos. 022 – 2871 3126

Email : companysecretary@sanghiment.com

Website : www.sanghiment.com

CIN : L18209TG1985PLC005581

DIRECTORS' REPORT

To
The Members of
Sanghi Industries Limited

Your Directors take pleasure in presenting the 35th Annual Report together with the audited financial statements for the year ended 31st March, 2022.

Financial Performance:

(₹ in Crore)

Particulars	2021-22	2020-2021
Total Income	1140.52	948.17
Profit before Interest, Depreciation and Taxation	202.88	249.46
Interest	81.96	73.18
Operating Profit	120.92	176.28
Depreciation	64.17	63.70
Profit Before Tax (PBT)	56.75	112.58
Current tax adjustments for earlier years	1.53	0.00
Deferred Tax (including Derecognition of earlier years MAT credit)	14.60	34.39
Profit After Tax (PAT)	40.62	78.19
Other Comprehensive Income	-	-
Items that will not be reclassified to profit or loss	(0.18)	0.26
Income tax related to items that will not be reclassified to profit or loss	0.05	(0.07)
Total Comprehensive Income	40.49	78.38

Dividend

In order to conserve the resources, your Directors do not recommend any dividend for the year under review.

Dividend Distribution Policy

Securities and Exchange Board of India ('SEBI') vide its notification dated 5th May, 2021, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, making changes in Regulation 43A which requires the top 1000 listed companies (based on the market capitalization calculated as on 31st March of every year) to formulate a Dividend Distribution Policy and disclose the same on their websites and a web-link to be provided in the Annual Reports of the Company.

The Company falls under the list of top 1000 listed companies as per the market capitalization as on 31st March, 2022, the company has already formulated the Dividend Distribution Policy which is in due compliance of the requirements of amended Regulation 43A and it is uploaded on the Company's website at <https://www.sanghiment.com/policies/>

Operations and Performance of the Company

During the year ended 31st March, 2022, the total revenue was Rs. 1140.52 Crores against Rs. 948.17 Crores in the previous year. The Profit Before Tax for the year has been Rs. 56.75 Crores against Rs. 112.58 Crores in previous year. The Profit After Tax for the year has been Rs. 40.62 Crores against Rs. 78.19 Crores in previous year. The Total Comprehensive Income for the year is Rs. 40.49 Crores, against Rs. 78.38 Crores in previous year.

The results are analysed at length in Management Discussion and Analysis report.

Non-Convertible Debentures (NCDs):

As on 31st March 2022 the Company has outstanding Non Convertible Debentures of Rs. 305 Crore issued on 23rd February 2021 having ISIN INE999B07036 and are listed and available for trading on BSE Limited.

Impact of COVID-19

The Covid – 19 crisis continued to impact during the financial year 2021-22 as well. As the pandemic prolonged another year the Company decided to give utmost priority to ensure the health and wellbeing of all employees and stated promoting vaccination drives and awareness campaigns and offering assistance at various vaccine centers.

The Company during the financial year 2021-22 have carried out various wellness programs in coordination with the health professionals and hospitals for employees of the Company and other residents in the adjoining vicinity of the plant of the Company.

The Company continues to follow necessary safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programmes in compliance with the regulations of the local authorities and government from time to time.

Management believes that impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to meet the its liabilities as and when fall due.

Change in Nature of Business

There are no material changes in the nature of business during the year under review.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

Significant and material orders passed by the regulators or Courts Or Tribunals

During the year under review, there were no significant or material order passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations in future.

Management Discussion and Analysis

A report on Management Discussion and Analysis (MDA), forms part of this Report, inter-alia deals adequately with the operations and also current and future outlook of the Company during the year under review.

Deposits

The Company has not accepted or renewed any deposits from public falling within the purview of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The Company has not made any Loans or provided any guarantee or made any investments falling under purview of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

Subsidiary Company

As at 31st March 2022, the Company does not have any Subsidiary Company.

Corporate Governance Report

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is attached as **Annexure – I** forming part of this report along with the certificate from auditors confirming the compliance.

Details of Board of Directors and Key Managerial Personnel

Board of Directors:

Retire by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Shri Alok Sanghi (holding DIN: 00033506) Whole Time Director of the Company retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment.

Re-appointment of Whole Time Directors:

Shri Aditya Sanghi (holding DIN: 00033755), Shri Alok Sanghi (holding DIN: 00033506) and Smt. Bina Engineer (holding DIN: 01653392) have been re-appointed as Whole Time Directors of the Company for a period of five years with effect from 6th September, 2022 subject to approval of the Members at the ensuing

Annual General Meeting. The resolutions proposing their re-appointment are set out in the notice convening the Annual General Meeting

Retirement of Independent Directors:

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the rules framed thereunder and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the second term of Shri Sadashiv Sawrikar (DIN: 02073022), Shri D K Kambale (DIN: 00020656) and Shri D.B.N. Rao (DIN: 01180539) as Independent Directors will be completed on 23rd June, 2022 and accordingly they will cease to be Independent Directors of the Company from closing of business hours of 23rd June, 2022.

The Board places on record its appreciation for the services rendered by them during their tenure as Independent Directors of the Company.

Appointment of Independent Directors:

In accordance with the provisions of Section 149, 161 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed thereunder, the Board of Directors of the Company at their meeting held on 24th May, 2022 have appointed Shri G. M. Yadwadkar (DIN: 01432796) and Shri Sudhir Nanavati (DIN: 00050236) as Additional Directors (categorized as an Independent Director) of the Company w.e.f. 23rd June, 2022 to hold office till the ensuing Annual General Meeting. or three months from the date of their appointment whichever is earlier.

The resolutions proposing their regularization (as an Independent Directors) are set out in the Notice of the ensuing Annual General Meeting.

Re-appointment of Independent Director:

In accordance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and rules framed thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Shri S Balasubramanian holding (DIN: 02849971) who was appointed as an Independent Director for a period of five consecutive years shall hold office till 8th November, 2022. The resolution proposing his re-appointment for another term of five consecutive years is set out in the Notice of the ensuing Annual General Meeting.

In accordance with the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri S Balasubramanian holding (DIN: 02849971), Independent Director who has attained the age of 75 years and Shri Sudhir Nanavati holding (DIN: 00050236), Independent Director who will attain the age of 75 years in September, 2022. The resolutions proposing to continue to avail their services as Independent Directors are set out in the notice of the ensuing Annual General Meeting.

Your Directors recommends passing of the above proposed resolutions relating to appointment and re-appointment of Directors as well as whole Time Directors.

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Shri Ravi Sanghi, Chairman and Managing Director
2. Smt. Bina Engineer, Chief Financial Officer and Whole Time Director
3. Shri Anil Agrawal, Company Secretary

There were no changes in Key Managerial Personnel during the year.

Declaration by Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149 (6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances affecting their status as an Independent Directors during the year under review.

Policy on Directors' appointment and remuneration

Pursuant to the requirements of Section 134 and 178 of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and Senior Management is attached as **Annexure – II** to this report.

Performance evaluation of the Board Committees and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Board has carried the evaluation of its own performance, individual Directors, its Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of the non-independent directors (including the Chairman) was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained and pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, your Directors confirm that:

- a) in the preparation of the annual financial statement, the applicable accounting standards had been followed and that no material departures have been made for the same;
- b) they had selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2022 and of the profit of the Company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the accounts for the period ended 31st March, 2022 on a 'going concern' basis.
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Number of Board Meetings

During the year under review, the Board of Directors duly met Four (4) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report. The intervening gap between the two meetings was within the limit prescribed under the Companies Act, 2013 and Listing Regulations.

Disclosure on the compliance of Secretarial Standards

The Directors confirm to the best of their knowledge and belief that the Company has complied with provisions of all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Risk Management Policy

Your company has developed and implemented a Risk Management Policy pursuant to Section 134(3)(n) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

The risk management process is designed to safeguard the organization from various risks through adequate and timely action. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The risk management framework of the Company is appropriate compared to the size of the Company and the environment under which the Company operates. The Audit Committee oversees the risk management system and its adequacy.

At present, in the opinion of the Board there is no identification of Risk element that may threaten the existence of the Company.

Vigil Mechanism

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the rules made thereunder read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company has established a vigil mechanism termed as Whistle Blower Policy for Directors and employees to report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code of Conduct, which also provides for adequate safeguards against victimization of director(s) / employees who avail of the mechanism and also provide for direct access to the Whistle officer / Chairman of the Audit Committee.

The Whistle Blower Policy is made available on the website of the Company <https://www.sanghiment.com/policies/>

During the year under review, the Company has not received any complaint under vigil mechanism established.

Policy on prevention, prohibition and redressal of sexual harassment at workplace

Company has framed a policy on Sexual Harassment at workplace which aims to provide protection to women employees at workplace and prevent and redress complaints of sexual harassment and for matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint under the Sexual Harassment of women at Workplace during the financial year under review.

Insurance

The properties and assets of the Company are adequately insured.

Auditors:

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the rules framed thereunder, M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) Delhi, were appointed as Joint Statutory Auditors of the Company for the consecutive term of five years to hold the office till the conclusion of ensuing Annual General Meeting and they are eligible for re-appointment.

The Board is of the opinion that continuation of M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) Delhi, as joint Statutory Auditors will be in the best interest of the Company.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with the rules framed thereunder.

Accordingly, a resolution seeking members' approval for their re-appointment as Joint Statutory Auditors of the Company for the further period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the financial year 2027 is included in the Notice convening the next Annual General Meeting.

The Board recommends passing of the proposed resolution.

The Auditors' Report to the members for the year under review does not contain any qualifications or reservations or adverse remarks.

Secretarial Auditors

M/s. Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2021-22 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure – III** to this report.

Cost Auditors

Your company is maintaining the cost records as prescribed by Central Government under Section 148(1) of the Companies Act, 2013.

The Company has appointed M/s. N D Birla & Co., Cost Accountants, Ahmedabad, as cost auditors of the Company for conducting audit of cost accounting records for the year 2021-23. Necessary resolution will be placed at ensuing Annual General Meeting for getting approval of the members for ratification of payment of remuneration to Cost Auditors for Financial Year 2022-23. The Audit report on the cost records of the Company for the year ended 31st March, 2022 will be submitted to the Central Government in due course. The Audit report on the cost records of the Company for the year ended 31st March, 2021 has been submitted to the Central Government with in prescribed time limit.

Audit Committee

The Audit Committee of the Company as on 31st March, 2022 consists of following Directors as its members:

1.	Shri Sadashiv Sawrikar	-	Chairman
2.	Shri D K Kambale	-	Member
3.	Shri D B N Rao	-	Member

Internal Financial Control and their adequacy

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures etc. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your company's operations.

Contracts and Arrangements with Related Parties

All related party transactions that were entered into during the financial year 2021-22 were on arm's length basis. The Company has not entered into transactions with related parties falling under section 188 of the Companies Act, 2013 hence reporting in Form AOC-2 as required under provisions of Section 134 read with Section 188 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

Necessary related party disclosures are provided in Note 38 which is forming the part of the notes to financial statements.

The policy on Related Party Transactions has been uploaded on the website i.e. <https://www.sanghiment.com/policies/>

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – IV** to this report.

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars which is available for inspection by members at the Registered office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Corporate Social Responsibility

At Sanghi Industries Limited (SIL), the Corporate Social Responsibility (CSR) has been an integral part of our business since inception. Right from the beginning, SIL has focused on developing the social infrastructure in the surrounding area where most villages suffered from chronic ills like limited livelihood options, acute scarcity of water, poor or no healthcare facilities, barren land and no set up for education.

SIL has always believed in transformation of socio-economic conditions of the region it operates in. The

company is conscious about the responsibility towards society and has proved itself as a responsible Corporate Citizen.

SIL enjoys the distinction of being one of the first cement companies in India to be awarded SA:8000:2008 i.e. Social Accountability Certificate for its plant for the last seven years (earlier SA:8000:2001). Social Accounting is a process of ongoing monitoring, evaluation and accountability which helps an organization to measure its performance against social, environmental and economic objectives and ensures that its working is in accordance with its values.

This certification is a result of the sincere and untiring efforts put in by the management for fulfilling its Corporate Social Responsibility in to over the last decade for

- a) Creating green revolution in the desert Kutch region by cultivating land for growing trees, fruits, vegetables and flowers.
- b) Providing educational facilities through a CBSE affiliated School.
- c) Providing hospitals and first aid facilities within few hundred kilometers.
- d) Conducting social awareness programmes on various issues.
- e) Contribution in disaster relief fund.

The company has constituted the Corporate Social Responsibility Committee in compliance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility policy enumerating the CSR Activities to be undertaken by the Company, in accordance with the Schedule VII of the Companies Act, 2013 approved and adopted by the Board of Directors is also placed on the website of the Company <https://www.sanghiment.com/policies/> The requisite details on CSR Activities pursuant to Section 135 of the Companies Act, 2013 and rules framed thereunder are annexed as **Annexure – V** to this report.

The details relating to the composition of committee and meetings convened of the Committee etc. are furnished in the Corporate Governance Report which is forming the part of this report.

Business Responsibility Statement

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereof for the time-to-time, top 1000 listed companies are required to submit, as part of Annual Report, Business Responsibility Report, describing the initiatives taken by them from the environmental, social and governance perspective, in the format prescribed by SEBI. As the company falls under the list of top 1000 companies, as per the market capitalization as on 31st March, 2022, it is applicable to your company. The Business Responsibility Report of the Company for the year ended 31st March, 2022 is annexed to this report as **Annexure – VI**.

Annual Return

The Annual Return as required under the provisions of Section 92 (3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014 is available on the website of the Company at <https://www.sanghiment.com/investors/>.

Familiarization Programme for Independent Directors

In compliance with the requirements of SEBI regulations, the Company has put in place a familiarization programme for independent directors to familiarize them with their role, rights and responsibilities as directors, the working of the Company, nature of industry in which company operates, business model, etc. The details of familiarization programme are explained in the Corporate Governance Report. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: <https://www.sanghiment.com/investors/>

Listing

The Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Non-Convertible Debentures (NCDs) of the Company issued on private placement basis are listed on 'Wholesale Debt Market' segment of BSE Limited. The Company has paid the listing fees for the year 2022-23 to both the Stock Exchanges.

Environment and Pollution Control

The Company has established centralized Environmental Management Cell (EMC) for environment management and vigorously pursued its goal of sustainable development through exacting standard in environmental conservation, emission control, promotion of alternative fuel & raw materials and waste management. The company has certified with ISO:14001 standard since 2004.

The company has installed state of the art air pollution control systems like ESP, Bag house with membrane technology, Fugitive emission control systems like Dust extraction & dust suppression system in all required locations. The company has also explored possibility to upgrade existing pollution control equipment's on the ground of present technology advancement and implement accordingly. The company has concreting of internal roads, truck parking area and plant floors and carried out massive plantation in the entire complex. The company has provided Clinker storage and state of the art loading system. The mining activities are being carried out by eco-friendly surface miner. The company is committed for CO2 emissions abatement and implemented series of project for the same.

The company has implemented series of measures for environment and pollution control. Some of the measures implemented during the year are:

- Enhancement in alternative fuel & raw material in manufacturing process
- Up-gradation of air pollution control systems like bag house and ESPs
- Real time monitoring of emission data through online continuous emission monitoring system
- Maintain 100% recycling of KPD in the process
- Enhancement of composite cement mix to enhance ash and slag utilization
- Regular carbon footprint analysis for greenhouse gas emission reduction
- Massive plantation in the entire complex
- Water audit has been carried out for optimization of water consumption in all the units & increased the efficiency of cooling tower.
- Energy audit has been carried out for the optimization of plant process, energy conservation & enhancing the efficiency of compressors, blowers etc.

Conservation of Energy, Technology Absorption

•	Conservation of energy	
(i)	the steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> • Installation of turbo blowers for SLC firing • Process optimization in Clinker and Cement plant • Optimization of compressors by arresting air leakages • Optimization of compressors by adjusting the load & unload pressure. • Optimization of fuel fineness, excess air & false air ingress and flow in Clinker plant • Installation of LED lights in place of conventional lights • Replacement of scatter ring in the raw mill to increase the mill output • Installation of occupancy sensors in offices & electrical sub-stations for ON-OFF of power supply • Utilization of liquid and solid alternative fuel in the Klin • Reduction in electrical energy consumption in grinding process • To avoid the idle running of transport equipment like belt conveyors etc.

(ii)	the steps taken by the company for utilizing alternate sources of energy;	<ul style="list-style-type: none"> • Provided advance feeding system for liquid & solid alternative fuel & raw material (AFR) system • Obtained regular permission for co processing of different types of hazardous & non-hazardous waste in twenty categories under Hazardous & Other Waste (Management & Trans-boundary Movement) Rules. • Achieved 7% Thermal Substitution Rate (TSR) during the year. • Replacement of traditional fuel i.e. coal with liquid & solid waste material generated from the chemical industries • Utilization of Industrial waste such as Pond ash, Iron Sludge & Iron oxide as raw material in clinker manufacturing
(iii)	the capital investment on energy conservation equipment's	Rs. 114 Lakhs
• Technology absorption		
(i)	the efforts made towards technology absorption;	<ul style="list-style-type: none"> • The MIS Cell & Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with it. • The Company strives to implement latest technologies for energy efficiency, alternative resources & minimize adverse impact on environment. • The regular energy audit is carried out by the third party to identify the area for improvement. • Participation in National / International seminar
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, cost reduction, product development & import substitution
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	State of the art technology
	a) the details of technology imported;	NA
	b) the year of import;	NA
	c) whether the technology been fully absorbed;	NA
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NA
(c) Research and Development		
(i)	Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> • Improvement in existing production process(s) • Energy conservation. • Pollution Control • Alternative Fuel and Raw Material • Water conservation

(ii)	Benefits derived as result of the above R&D	<ul style="list-style-type: none"> • Clinker quality improvement by raw mix optimization. • Enhancement in TSR (Thermal Substitution Rate) by utilizing of liquid & solid alternate fuel. • Enhance fly ash addition in PPC • Improvement in refractory lining practices by deploying two brick lining machine and achieved kiln lining work 18 mtr/day. • Reduction in specific clay consumption. • Improvement in clinker factor by adding high ash coal. • Mineral Gypsum replaced by Chemical Gypsum after successful trails. • Reduction in specific water consumption. • Development of rain water harvesting reservoir. • AFR system upgradation as second line started to increase the TSR.
(iii)	Future Plan of Action	<ul style="list-style-type: none"> • Increase addition of fly ash in PPC production • Replacement of Pond Ash by using waste material of Iron Industries i.e. iron sludge & iron oxide in Raw Mix • Reduction in clinker factor in PPC by 1% • Up-gradation of clinker feeding circuit • Installation of blasters at gypsum hoppers, pond ash & silica sand. • Implementation of heating pads at HRP bag filter hoppers • Load cell for Pozolana Slag Cement (PSC) • Replacement of DC motor to AC motor at raw mill hopper • Reduction in transmission line losses by replacement of old phase conductor • Up-gradation of pre-lignite ESP • Renovation of alkali ESP • Efficiency improvement in WHRS by modification of Alkali bypass Boiler circuit • High efficiency nozzle to be installed in AFR • Conventional motors to be repalced with high efficiency motors
(iv)	Expenditure on R&D	During the year under review, the Company has incurred Rs. 118 Lakhs towards R & D Expenditure charged to revenue.

Foreign Exchange Earnings and Outgo

During the year under review, Foreign Exchange earnings was Rs 6532.85 Lacs and outgo was Rs. 9595.97 lacs including Rs.4549.21 lacs towards Capital Expenditure.

International Accreditations

Your company is amongst the very few corporates in India and certainly one of the first cement plants in India to receive the following 5 International accreditation.

- a) ISO 9001:2015 (Quality Management System Standard)
- b) ISO 14001:2015 (Environmental Management System Standard)

- c) OHSAS 18001:2007 (Occupational Health & Safety Management System Standard)
- d) SA 8000:2014 (Social Accountability Management System Standard)
- e) ISO/ IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

During the year under review, the Jadua Limestone Mines has been awarded a “Five Star rated Mines” at the 5th National conclave on Mines and Minerals at New Delhi organized by Ministry of Mines.

Recognitions for Best Practices

Due to COVID-19 restrictions, Safety & MEMC Week programs final day function were not held.

Industrial Relations

The Company's Industrial relations with its employees continued to be cordial throughout the year under review. Your Directors wish to place on record their appreciation for the excellent team work with which the workers and officers of the Company at all levels have contributed individually and collectively to the performance of the Company.

Appreciation / Acknowledgement

Your Directors wish to place on record their sincere appreciation for the excellent assistance and co-operation received from the Governmental authorities, the consortium of banks and financial institutions, customers, vendors and investors for their continued support during the year.

Your Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 31st March 2022 ("FY-22"). The Management also presents its outlook on the cement industry, in brief, for the future. This outlook is based on current business environment and information available on Indian economic scenario and may vary due to future economic and other developments in India and abroad. Further, the information on the economy and industry is based on various reports on industry and websites and the Company is not responsible for any discrepancy/error in the information.

Cement Industry – Present Scenario and Outlook

(source : Government websites and other external sources)

On a yearly average, the Indian cement industry grew by 20.8% compared with 10.4% average growth of Eight Core Industries of India in FY-22 over FY-21.

In FY21, the demand composition for cement industry was 68% Housing/Real Estate, 22% Infrastructure and 10% Industrial Development.

As per the India's Budget for 2022-23, the outlay for major schemes is given below.

	2020-2021 Actual	2021-2022 Budget Estimates	2021-2022 Revised Estimates	2022-2023 Budget Estimates
Pradhan Mantri Awas Yojna (PMAY)	40260	27500	47390	48000
Pradhan Mantri Gram Sadak Yojna	13688	15000	14000	19000
Residential	1506	606	756	873
Non-residential	1849	1746	1833	2601
Metro Projects	8573	18998	18978	19130
Road Works	53093	60241	65687	64568
National Highways Authority of India	46062	57350	65060	134015

Our Government's focus on development of infrastructure can be seen from the substantial increase in allocation of funds to Highways Authority in the table above.

The state of Gujarat has successfully developed world class infrastructure. There are 46 ports, 18 domestic airports & one international airport. The state also has an extensive road & rail network and is in the phase of further extending its infrastructure.

India was ranked second in the 2021 Agility Emerging Markets Logistics Index.

Highlights on End-User Industries

Real Estate

The key demand drivers of Real Estate industry are as below.

- Rapid urbanisation
- Growth in population
- Rise in the number of nuclear families
- Easy availability of finance
- Repatriation of NRIs and HNIs
- Rise in disposable income
- Between July 2021 and September 2021, a total of 55,907 new housing units were sold in the eight micro markets in India (59% YoY growth).
- Between July 2021 and September 2021, new housing supply stood at ~65,211 units, increased by 228% YoY across the top eight cities compared with ~19,865 units launched in the third quarter of 2020.

- Private equity investments in real estate surged 24% YoY to US\$477 million between July 2021 to September 2021.
- Under the housing for all segment, 8 million households will be identified according to the the Budget 22-23 with Rs.48,000 crore(US\$6.44billion) set aside for PM Awas Yojana.

Infrastructure

Infrastructure sector includes power, ports, bridges, highways, dams and road.

Our Government has been increasing the budget allocation for infrastructure development year-on-year. The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.

In Union Budget 2022-23, the Government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.

The National Infrastructure Pipeline(NIP) expanded to 9,305 projects from 7,400 projects.

In October 2021, the Gati Shakti-National Master Plan (NMP) for multimodal connectivity was launched. This Plan is expected to bring synergy to create a world-class, seamless multimodal transport network in India which will boost the demand for cement in the future.

Roads including Highways

- Gujarat Budget for 2022-23 has provided for Rs.9341 crore for roads and bridges.
- India has the second-largest road network in the world, spanning over 5.8 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.
- Road building in India is second least expensive in Asia.
- In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.
- The Outlay for roads in India's Union Budgets from FY-16 to FY-23 has increased at a Compounded Annual Growth Rate of around 13%.
- The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion). NHAI plans to construct 25,000 kilometres of national highways in 2022-23 at a pace of 50 km per day.
- In August 2021, Ministry of Road Transport and Highways announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana - the ambitious road and highways project.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral cooperation.
- The highways construction in India was 5835 kms from April 2021 to October 2021
- In FY22 (until November 2021) private sector invested Rs. 15,164 crore (US\$ 1.98 billion) in roads.

Ports

- Ports in India handle around 95% of international trade volume of the country.
- India has 12 major ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country.

Performance of the Company

1. International Accreditations

Your company is amongst the very few corporates in India and certainly one of the first cement plants in India to receive the following International accreditations.

1. ISO 9001:2015 (Quality Management System Standard)
2. ISO 14001:2015 (Environmental Management System Standard)
3. ISO 45001:2018 (Occupational Health & Safety Management System)
4. ISO/ IEC 17025:2017 (NABL accreditation for Chemical and Mechanical Testing)

2. Sales

The Company's gross sales increased by 18% to Rs.1422.79 crore in FY-22 compared to Rs.1201.38 crore in FY-21. The gross average realization for the cement in the domestic market increase by 13% over similar periods.

Sales Volume

Product	FY-22 (lac mt)	FY-21 (lac mt)	Increase
Cement	20.27	19.89	2%
Clinker	3.10	1.58	96%
RMC (M ³) [@]	-	0.06	-
Total	23.37	21.53	9%

[@] Company has sold its RMC plants, which comprised insignificant revenue mix, as it intends to focus on its core business, cement.

Sales (Rs.Crore)

Product	FY-22	FY-21	Increase / (Decrease)
Cement Domestic	1333.62	1157.56	15%
Cement Export	1.87	4.99	(63%)
Clinker Domestic	21.26	16.11	32%
Clinker Export	63.52	20.30	213%
RMC (M ³)	-	2.42	N.A.
Other Adjustments	2.53	-	N.A.
Total Gross Sales	1422.80	1201.38	18%
Less : GST	300.10	265.39	13%
Net Sales	1122.70	935.99	20%

3. Costs

The major cost analysis for FY-22 over FY-21 is given below.

- The raw material cost per tonne of sales reduced by 5% in FY-22 to Rs.255 compared to Rs.268 in FY-21.
- The substantial increase in fuel prices have adversely affected all fuel-dependent industries. The fuel cost per tonne of sale increased by 61% to Rs.1191 in FY-22 against Rs.739 in FY-21. The power cost per tonne of sale increased by 56% to Rs.513 in FY-22 from Rs.328 in FY-21.
- The selling and distribution cost increased very marginally by 1% to Rs.1217 per tonne in FY-22 compared to Rs.1199 per tonne in FY-21. The average logistic cost for selling cement domestically increased by 4% to Rs.1260 per tonne in FY-22 from Rs.1214 in FY-21.

4. Profits and Margins

The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of Rs.202.88 crore in FY-22 against Rs.249.45 crore in FY-21. While net sales have increased by 20%, PBDIT has reduced by 19% mainly because of increase in power and fuel cost, employee cost account (on account of new capacity) and Other Expenses

The PBDIT margin to Net Income was 17.8% for FY-22 and 26.3% for FY-21.

The profit before tax reduced to Rs.56.75 crore in FY-22 from Rs.112.58 crore in FY-21. Profit after tax reduced to Rs.40.62 crore in FY-22 from Rs.78.19 in FY-21.

Further, Company has made Deferred Tax provision of Rs.14.6 crore during FY-22.

5. Disclosure under SEBI (LODR) Regulations

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

Ratio	Explanation
Schedule V - Part B Clause 1 Sub - Clause i	
Debtors Turnover FY-22 : 15.95 FY-21 : 21.27	While sales have increased by 18%, debtors have increased by 89%. This more than proportionate increase in debtors has resulted in the reduction of Debtors Turnover ratio by 25%.
Inventory Turnover FY-22 : 3.35 FY-21 : 2.65	The cost of sales has increased substantially mainly due to increase in Power and fuel cost resulting from increase in coal prices, resulting into Inventory Turnover to increase by 26%
Debt Service Coverage FY-22 : 1.44 FY-21 : 2.07	Increase in debt servicing and lower PBDIT during FY-22 resulted in Debt Service Coverage to reduce by 31%.

6. Internal Control Systems

The Company's management is responsible for establishing and maintaining Internal financial controls (IFC) based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. The management maintains adequate internal financial control systems encompassing its entire business operations, statutory compliances and Financial Reports.

The Internal Audit also aims at testing the operational effectiveness of the internal financial control system and thereby facilitates an objective assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the system.

7. Human Resources

The Company is an equal opportunity employer and lays special emphasis on welfare of its employees. It provides them with the best facilities and strives to engage and retain talented workforce at all levels. It encourages continuous learning and provides a conducive environment for personal and professional growth thereby leading to the growth of the company.

8. Future Outlook

Considering the measures and initiatives planned and/or taken by the Central and State Governments of India on infrastructure spending, real estate development and other macro-economic issues, the Company expects a good demand for cement and stable prices.

9. Risk and Concerns

The Company has devised the Enterprise Risk Management system which is periodically reviewed. The key areas of risk are as under.

- Successful enhancement of sales, arising out enhanced capacity
- Volatility in the price and availability of fuel such as lignite, imported coal and pet coke
- Foreign exchange fluctuation, since company is a net foreign exchange user.

10. Cautionary Statement

The statements forming part of the Management Discussion and Analysis covered in this report may be forward looking. The actual results may differ from the expectations expressed above. The various external and internal factors, not currently anticipated, may influence the performance of the Company.

Annexure I

REPORT ON CORPORATE GOVERNANCE**1. A brief statement on the Company's philosophy on Code of Governance**

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. The Corporate Governance initiative is based on two core principles. They are (i) Management must have the executive freedom to drive the enterprise forward without operational constraints; and (ii) this freedom of management should be exercised within a framework of effective accountability.

The Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and society's expectations.

From the above definition and core principles of Corporate Governance emerges the cornerstone of the company's governance philosophy, namely trusteeship, empowerment and accountability, transparency, control and ethical corporate citizenship. The Company believes that the practice of each of these leads to the creation of the right culture in which the Company is managed in a manner that fulfills the purpose of Corporate Governance.

2. Board of Directors

The Board of Directors consists of professionals drawn from diverse fields having varied experience and expertise. Shri Ravi Sanghi is the Chairman and Managing Director of the Company, who monitors the day-to-day management of the Company, subject to the supervision and control of the Board of Directors. The Composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and category of Directors as on 31st March, 2022 is as under:

Sl. No.	Category	Name of Director
I.	Executive Directors	Shri Ravi Sanghi – Chairman and Managing Director (Promoter) Shri Aditya Sanghi – Whole Time Director (Promoter) Shri Alok Sanghi – Whole Time Director (Promoter) Smt. Bina Engineer – Whole Time Director Shri N. B. Gohil – Whole Time Director
II.	Non-Executive (Independent Directors)	Shri Sadashiv Sawrikar Shri D. B. N. Rao Shri D. K. Kambale Shri S. Balasubramanian Ms. Raina Desai *Shri Arvind Agarwal

* Appointed as an Independent Director w.e.f. 12th August, 2021.

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the shareholders.

During the year 2021-22, four (4) Board Meetings were held on 10th June, 2021, 12th August, 2021, 12th November, 2021 and 9th February, 2022. The Company has observed the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by conducting the Board Meetings within maximum time allowed between the two Board Meetings.

Due to COVID-19 pandemic, all the meetings of Board of Directors were held in Virtual mode through Video Conference / Other Audio Visual Means.

The details of record of attendance of Directors at Board Meetings and last AGM and Directorships of Public Limited Companies and Membership/Chairmanship of Board Committees in other Companies are as follows:

Names of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the Last AGM	No. of Directorships of Other Companies**	No. of Membership of other Board Committees#	No. of Chairmanship of other Board Committees#
Shri Ravi Sanghi	4	4	Yes	1	-	-
Shri Aditya Sanghi	4	4	Yes	3	-	-
Shri Alok Sanghi	4	4	Yes	3	-	-
Smt. Bina Engineer	4	4	Yes	1	-	-
Shri N. B. Gohil	4	4	Yes	2	-	-
Shri Sadashiv Sawrikar	4	4	Yes	2	-	-
Shri D. K. Kambale	4	4	Yes	2	3	-
Shri D. B. N. Rao	4	4	Yes	3	-	2
Shri S. Balasubramanian	4	4	Yes	5	4	2
Shri Arvind Agarwal ^	4	3	Yes	1	1	-
Ms. Raina Desai	4	4	Yes	2	-	-

^ Appointed as an Independent Director w.e.f. 12th August, 2021.

**Excludes alternate directorships/ directorships of private companies, foreign companies and companies under Section 8 of Companies Act, 2013.

Includes only Audit Committee and Stakeholders Relationship Committee.

Details of Directorship held by the Directors is as below :

Names of Director	No of Directorship in listed entities including this listed entity	Names of Listed Entities where the person is a Director	Category of Directorship
Shri Ravi Sanghi	1	Sanghi Industries Ltd.	Executive Director
Shri Aditya Sanghi	1	Sanghi Industries Ltd.	Executive Director
Shri Alok Sanghi	1	Sanghi Industries Ltd.	Executive Director
Smt. Bina Engineer	1	Sanghi Industries Ltd.	Executive Director
Shri N. B. Gohil	1	Sanghi Industries Ltd.	Executive Director
Shri Sadashiv Sawrikar	1	Sanghi Industries Ltd.	Independent Director
Shri D. K. Kambale	2	1. Sanghi Industries Ltd.	Independent Director
		2. Lloyds Metals and Energy Ltd.	Independent Director
Shri D. B. N. Rao	2	1. Sanghi Industries Ltd.	Independent Director
		2. Hemadri Cements Ltd.	Independent Director
Shri S. Balasubramanian	5	1. Sanghi Industries Ltd.	Independent Director
		2. Emami Paper Mills Ltd.	Independent Director
		3. TTK Healthcare Ltd.	Independent Director
		4. Ucal Fuel Systems Ltd.	Independent Director
		5. GVK Power & Infrastructure Ltd	Independent Director
*Shri Arvind Agarwal	1	Sanghi Industries Ltd.	Independent Director
Ms. Raina Desai	1	Sanghi Industries Ltd.	Independent Director

* Appointed as an Independent Director w.e.f. 12th August, 2021.

The Board of the Company comprises of an optimum combination of Executive, Non - Executive and Independent Directors. Shri Ravi Sanghi Chairman & Managing Director is father of Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors of the Company. Apart from that none of the other Directors on the Board have any relation with the other Directors.

Familiarization Programme

In order to enable the Independent Directors of the Company to fulfill their role in the Company and to keep them updated, various presentations are made on business models, business opportunities, new initiatives taken by the Company, changes taking place in the Industry scenario etc. The company has organized plant visit for Independent Directors for their better understanding of the manufacturing process of clinker and cement. During plant visit, the respective department heads/ technical heads explained in detail about the manufacturing and other operational facilities at the Plant. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: <https://www.sanghiment.com/investors/>

Shareholding of Non-Executive Directors as on 31st March, 2022 is as follows:

Name of Directors	Number of Equity Shares of Rs 10/- each of the Company
Shri Sadashiv Sawrikar	NIL
Shri D K Kambale	NIL
Shri S. Balasubramanian	NIL
Shri D B N Rao	NIL
Shri Arvind Agarwal *	NIL
Ms. Raina Desai	NIL

* Appointed as an Independent Director w.e.f. 12th August, 2021.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

There were no instances of resignation of any Independent Director from the Board of the Company before the expiry of his / her tenure during the FY 2021-22.

However, on account of sad demise of Shri M.K. Doogar, he ceased to be Director of the Company w.e.f. 4th May, 2021.

3. Committees of the Board of Directors

a. Audit Committee

The constitution, powers, role and terms of references of the Audit Committee are as required under the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

I. Brief description of Terms of Reference:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- To review and monitor the Auditors' independence, scope, performance and effectiveness of audit process and their reports and discussion on significant findings and follow up thereon;
- To review internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism;
- Scrutiny of loans, advances and investments including review of utilization of loans and / or advances from the investments by the holding Company in the subsidiary exceeding Rs.100 Crore or 10% of the asset size of the subsidiary whichever is lower, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto;
- To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board and to oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidates;
- To review with the management the application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board and to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, if any;
- To carry out any other function that relates to accounts and audit of the company..

II. Composition and Attendance:

During the year 2021-22, four (4) meetings of Audit Committee were held on 10th June, 2021, 12th August, 2021, 12th November, 2021 and 9th February, 2022.

Due to COVID-19 pandemic, all the meetings of the Audit Committee were held in Virtual Mode through Video Conference / Other Audio Visual Means.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri Sadashiv Sawrikar	Chairman	4	4
Shri D. K. Kambale	Member	4	4
Shri D B N Rao	Member	4	4

The Chairman & Managing Director and Executive Director & Chief Financial Officer are the permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary of the Committee and the representatives of the Statutory Auditors attend the Audit Committee Meetings as invitees as and when required to provide the necessary inputs to the Committee.

The Audit Committee Meetings were held within maximum time allowed between the two committee meetings.

All the members of the Audit Committee are Independent Directors of the Company and the constitution of the Committee is in compliance of the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Business Operations and Finance Committee

Looking to the Business requirements and smooth monitoring of the business activities, the Board of Directors had constituted "Business Operations and Finance Committee".

I. Brief description of Terms of Reference:

- To review the adequacy of term debt, fund based and non-fund based borrowings and all Banking arrangements and cash management and to approve any modification, addition and reduction of the same.
- To make application for new loans and facilities, negotiate and finalize the terms, acceptance of sanction letters, loan documents, security documents such as mortgage, hypothecation deeds etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers.
- To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, Balance Confirmation Letters that may be received from various Banks and Financial Institutions.
- To approve the exercise of guarantees as may be required by Banks, Financial Institutions, Central Excise, Customs and Sales Tax authorities etc. on any matter pertaining to the working affairs of the Company.
- To review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments.
- To review and approve from time to time various business arrangements, projects, purchase of equipments and apparatus for the existing and new business.
- To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting parties etc.
- To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/ Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary.
- To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the Officials of the Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, hundies etc. and close the Banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as committee may in its discretion decide for the transactions to be entered into by such officials of the Company.
- To make and submit whether by committee itself or delegate authority to the Officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance etc.
- To make and submit whether by committee itself or to delegate authority to the Officials of the Company to apply for various telephone, telex and facsimile, internet connections etc., to the Department of Telecommunications or to the Private Telephone Operators etc.
- To enter and/or to delegate authority to officials of the company for entering into all sorts of business agreements, contracts with the parties for procurement of machineries, equipments, godowns, warehouses, stockyards, opening of branch office, representative office, to set up packing and storage facilities to construct terminals etc.
- To file, defend and to grant and delegate authority to the Officials of the Company to file and defend various legal cases as may be necessary from time to time for recoveries of monies due to the Company or as may be filed against the Company including the powers to engage counsel and submit evidence both oral and written in this regard

subject to obtaining the approval of the Board for defending important and vital legal disputes.

- To grant and delegate authority to the Officials of the Company to represent the Company before Central Excise and Customs, Sales Tax, Municipal and Local Government authorities, Income Tax authorities, Reserve Bank of India and Court of Law and any other judicial body and such other Governmental/Non-Governmental / Quasi-Governmental authorities as may be necessary from time to time on behalf of the Company.
- To make contributions to any Charitable or Religious or Political purposes as may be permissible from time to time subject to the various provisions of various laws as may be in force or to delegate authority to any officials of the Company in this regard subject to such restrictions laid down by the various laws.
- To undertake the activities / matters relating to raising of funds by issue of Equity Shares and/or Preference Shares and/or Convertible and/or Non-Convertible Debentures and/or Bonds, and/or any other financial instruments convertible into equity shares, or such other securities by way of a public or private offering, including through a Qualified Institutional Placement (QIP) in one or more tranches.

II. Composition and Attendance:

The composition, no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri Sadashiv Sawrikar	Chairman	4	4
Shri Ravi Sanghi	Member	4	4
Smt. Bina Engineer	Member	4	4
Shri Aditya Sanghi	Member	4	4
Shri Alok Sanghi	Member	4	4
Shri N. B. Gohil	Member	4	4

The Company does not pay any sitting fees to the members for attending the Business Operations and Finance Committee meetings.

c. Nomination and Remuneration Committee

The constitution, powers, role and terms of reference of the Nomination and Remuneration Committee are as required under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

I. Brief description of Terms of Reference:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, all remuneration in whatever form payable to the senior management.
- To recommend to the Board, a policy relating to the remuneration for the other executive Directors.

II. Composition and Attendance:

During the year 2021-22, two (2) meetings of Nomination and Remuneration Committee were held on 9th June, 2021 and 12th August, 2021.

Due to COVID-19 pandemic, the meetings of the Nomination and Remuneration Committee were held in Virtual Mode through Video Conference / Other Audio Visual Means.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri D K Kambale	Chairman	2	2
Shri Sadashiv Sawrikar	Member	2	2
Smt. Raina Desai	Member	2	2

All the members of the Nomination and Remuneration Committee are Independent Directors and the composition of the committee is in compliance of provisions of Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. Performance Evaluation Criteria of Independent Directors:

The Performance of the Independent Directors is evaluated based on the criteria such as his/her knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, participation in the Board / Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Director, the Director who was subject to the evaluation did not participate. The Board of Directors were quite satisfied with the performance of all the directors of the Company derived on the basis of performance evaluation.

IV. Remuneration Policy:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees which was approved by the Board and is annexed with the Directors' Report. The policy helps to attract, retain and motivate the employees of the Company to achieve results.

d. Stakeholders Relationship Committee

In terms of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company has in place a duly constituted Stakeholders Relationship Committee .

I. Brief description of Terms of Reference:

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company;
- Approval of transfer / transmission of securities, deletion of names authorizing the issue of duplicate share certificates and generally dealing with all the matters in connection with all securities issued by the Company from time to time;
- Approve the dematerialization / rematerialization of securities and to deal in all the matters connected with it.

II. Composition and Attendance:

During the FY 2021-22 one (1) meeting of Stakeholders Relationship Committee was held on 9th February, 2022.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri D B N Rao	Chairman	1	1
Shri Sadashiv Sawrikar	Member	1	1
Shri Ravi Sanghi	Member	1	1

The Chairman of the Stakeholders Relationship Committee is an Independent Director of the Company. Shri Anil Agrawal, Company Secretary acts as a Secretary and Compliance officer of the Company.

The Company does not pay any sitting fees to the members for attending the Stakeholders Relationship Committee meetings.

e. Corporate Social Responsibility Committee

As required under Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 for the purpose of determining the activities to be undertaken by the Company towards the Corporate Social Responsibility (CSR).

I. Brief description of Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company and update the same from time to time.
- To recommend an amount of expenditure to be incurred on the activities as referred in Corporate Social Responsibility Policy of the Company.
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company.
- To review CSR activities from time to time, undertake necessary corrective actions, if required and reporting of the CSR activities to CSR Committee/Board of Directors.
- Explain the manner in which the surplus from CSR projects will be treated.
- To place before the board the draft annual report as per the format in annexure to the Rules in Board meeting for Board to review and finalization.

II. Composition and Attendance:

During the year 2021-22, two (2) meetings of the Corporate Social Responsibility Committee were held on 9th June, 2021 and 9th February, 2022.

Due to COVID-19 pandemic, all the meetings of the CSR Committee were held in virtual mode through Video Conference / Other Audio Visual Means.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri S. Balasubramanian	Chairman	2	2
Shri Aditya Sanghi	Member	2	2
Shri N. B. Gohil	Member	2	2

The Chairman of the Corporate Social Responsibility Committee is an Independent Director of the Company.

f. Risk Management Committee

SEBI, vide its notification dated 5th May, 2021, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, making changes in Regulation 21 which now requires top 1000 listed companies (based on the market capitalization calculated as on 31st March of every year) to formulate the Risk Management Committee and to comply with the other requirements as stated in the amended provision. As the Company falls in the list of top 1000 Companies as per Market Capitalization as on 31st March, 2021 the provisions of Regulation 21 became applicable to the Company during the financial year 2021-22.

However, the Company has already constituted a committee known as "Risk Management Committee" which is in due compliance of the requirement of amended provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulations.

The Company abide by the requirements of amended Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

I. The existing brief description of Terms of Reference are as under:

- Identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, cyber security risks or any other risk as may be determined by the risk management committee.
- To ensure that the relevant Measures for risk mitigation are being taken and implemented appropriately.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To periodically review the risk management policy, at least once in two years.
- To keep the board of directors informed / apprised about the risks related scenario and to provide the recommendations and actions to be taken, to mitigate the same, if required.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

II. Composition and Attendance:

During the year 2021-22 two (2) Risk Management Committee meetings were held on 9th June, 2021 and 12th November, 2021.

The composition, details of the no. of meetings held during the year and attendance of each member at the meeting are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
Shri Sadashiv Sawrikar	Chairman	2	2
Shri Ravi Sanghi	Member	2	2
Shri N. B. Gohil	Member	2	2

The Chairman of the Risk Management Committee is an Independent Director.

g. Independent Directors' Meeting

As per the provisions of the Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. During the year under review, one meeting of the Independent Directors was held on 9th February, 2022. All Independent Directors were present at the meeting. Due to COVID-19 pandemic, the meeting of the Independent Directors was held in virtual mode through Video Conference / Other Audio Visual Means.

At the meeting the Independent Directors reviewed the performance of the Non Independent Directors (Including the chairman) and assessed the quality, quantity and timeliness of the flow

of information between the Company and the Management. The Independent Directors were satisfied with the performance of the Chairman and Executive Directors of the Company and with the flow of information between the Company Management and the Board of Directors.

4. Managerial Remuneration:

Executive Directors

The Managing Director / Executive Director(s) are paid remuneration in accordance with the approval of the Board and of the Company in General Meeting and such other approvals as may be required, if any. The remuneration structure of the Managing Director / Executive Director(s) comprises of salary, perquisites and allowances, contributions to Provident Fund, Superannuation Fund, Gratuity etc.

The salient features of the agreements executed by the Company with the Managing / Executive Directors are as under:

Name of Director	Shri Ravi Sanghi	Shri Aditya Sanghi	Shri Alok Sanghi	Smt. Bina Engineer	Shri N B Gohil
Designation	Chairman & Managing Director	Executive Director	Executive Director	Executive Director	Executive Director
Period of Appointment or re-appointment	Five Years w.e.f. 01.09.2020	Five Years w.e.f. 06.09.2017	Five Years w.e.f. 06.09.2017	Three Years w.e.f. 06.09.2019	Three Years w.e.f. 22.12.2020
Salary and Commission	As per the approval of the shareholders				
Perquisites	As per the approval of the shareholders and as per the rules of the Company				
Minimum Remuneration	Where in any financial year, the Company has no profits or its profits are inadequate, then the Company will pay remuneration by way of salary and perquisites in accordance with the provisions of Schedule V of Companies Act, 2013.				
Notice Period	The agreements may be terminated by either party giving the other party six months notice in writing of such termination.				

The details of salary and perquisites (including contribution to provident fund/superannuation fund etc. if any) paid or debited to Statement of Profit and Loss during the year ended 31st March, 2022 towards Salary of Chairman & Managing Director and Executive Director(s) are as follows:

(₹ in Crore)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	2.03	4.71
Commission	0.58	0.87

The Company has not formulated any scheme for giving stock options to its employees. Hence, no stock options have been granted to any Executive Directors of the Company during the FY 2021-22.

Non-Executive Directors

None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of Rs. 30,000/- (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of Rs. 10,000/- (Rupees Ten Thousand Only) from the Company for attending each meeting of the Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Risk Management Committee of Directors and Independent Directors meeting.

During the year ended 31st March, 2022, the Company has paid the following amount towards sitting fees and incidental expenditure to the Directors for attending the Board / Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Independent Directors Meetings:

Name of Director	Total Amount (₹)	Name of Director	Total Amount (₹)
Shri Sadashiv Sawrikar	3,10,000	Shri S. Balasubramanian	2,50,000
Shri D K Kambale	2,90,000	*Shri Arvind Agarwal	1,00,000
Shri D B N Rao	2,70,000	Ms. Raina Desai	2,50,000

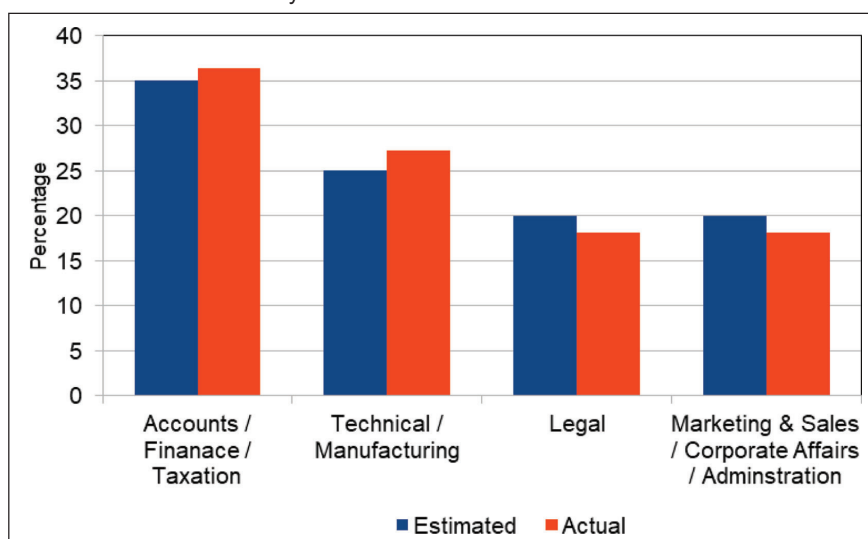
* Appointed as an Independent Director w.e.f. 12th August, 2021.

Criteria of making payments to non-executive directors:

None of the Non-Executive Directors have any pecuniary transactions with the Company, except receiving sitting fee for attending the Board and committee meetings as per the details mentioned above, hence the criteria for making payments to non –executive directors would not be applicable.

• A chart setting out the skills/expertise/competence of the Board of Directors:

The company has following Eleven Directors with adequate composition of required skills / expertise/ competencies for cement industry.



The list of core skills / expertise / competence identified by the Board as per the requirement of business are as under :

Skills and Attributes	Description
Accounts/Finance/Taxation	Experience and knowledge in Financial Management, taxation and having in-depth understanding of capital allocation, funding, financial reporting process etc. which in turn is beneficial to the Company.
Technical and Manufacturing	Experience and technical Knowledge of manufacturing, functioning and operations of cement industry and having insight of changing trends, external factors which is in the overall benefit of the Company.
Legal	Understanding the legal ecosystem in which the Company operates and possesses the required skill and knowledge of compliance, governance, laws and regulations applicable to the Company and ensuring its compliance in best possible manner.
Marketing and Sales/ Corporate Affairs/ Administration	Having understanding of complex business processes, strategic planning, marketing skills and ability to evaluate opportunities in the best interest of the Company.

The details of Qualifications \ Skills \ expertise \ competencies of our Board of Directors are as under:

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Ravi Sanghi, Executive Director DIN : 00033594	1 st July 1952	14 th June 1985	Graduate in Commerce. Shri Ravi Sanghi is a first generation entrepreneur, he leads the company with his inspiring vision and commitment. The establishment of one of the India's largest integrated single-stream cement plant in Kutch, by the Sanghi team is the result of his untiring dedication. He carries immense experience in conceptualizing and directing projects across diverse industries and magnitudes.
Shri Aditya Sanghi, Executive Director DIN : 00033755	18 th September, 1982	27 th January, 2007	An alumnus of the reputed Rochester Institute of USA, Aditya Sanghi brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.
Shri Alok Sanghi, Executive Director DIN : 00033506	13 th January,	27 th January, 2007	Armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, Alok Sanghi, brings immense knowledge and experience of the global Financial Services sector. Under his direction the company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the company.
Smt. Bina Engineer, Executive Director & Chief Financial Officer DIN : 01653392	13 th April, 1967	27 th January, 2007	B.Com, Chartered Accountant. She has over three decades of experience in the sphere of Project and Corporate Finance. Her in-depth know-how and vast experience leads to efficient management of company's Project Funds, Working Capital and other matters of Finance. She has been conferred by the ICAI with the recognition of "Best CA CFO Award – Woman 2016". She has also been awarded with "Best Woman CFO Award 2018" by Yes Bank and Business World Magazine on 11 th May 2018 at Delhi.
Shri. Nirubha B. Gohil, Executive Director DIN : 05149953	16 th June, 1950	22 nd December, 2011	Diploma in Mechanical Engineering. He is aged about 70 years and is having rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants and specializes in Pollution Control Norms, Factory Regulations and other administrative matters.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Sadashiv Sawrikar, Independent Director DIN : 02073022	10 th August, 1954	1 st November, 1988	B Com, LLB, Chartered Accountant. He is aged about 67 years and is having a Rich and varied experience in Finance, Corporate Restructuring and other various Finance Related Areas and he has successfully handled various company assignments.
Shri Devidas Kashinath Kambale, Independent Director DIN : 00020656	1 st June, 1951	12 th August, 2011	M.Com, CAIIB, MFM. He is aged about 70 years and is having a rich and varied experience in Banking and Finance. He is the former Chief General Manager in IDBI and he was IDBI's nominee on Board of Directors of various companies.
Shri Dabir Badri Narayan Rao, Independent Director DIN : 01180539	14 th April, 1947	22 nd December, 2011	BE in Mechanical Engineering, MTech in Design and Production Engineering and Diploma Holder in Cement, Building Materials & Construction Technology from Manila. He is aged about 75 years and is having a rich and Varied experience in Erection & Commissioning, Operations and Maintenance of Cement Plants. He has been associated in various capacities with many renowned cement projects in the country. He has also been the Director General of National Council for Cement and Building Materials (NCBM) and Chairman of Civil Engineering Divisional Council for Cement and Concrete, Bureau of Indian Standards (BIS). He is member of the Governing Boards and Expert Committees set up by various Ministries in the field of Cement, Construction and Civil Engineering.
*Mr. Arvind Agarwal Independent Directors DIN: 00122921	23 rd April, 1960	12th August, 2021	Graduate from Sydenham College of Commerce & Economics, Mumbai. After post graduation in Commerce, he did CA Articleship with Price Waterhouse & Co., Mumbai and completed CA (Intermediate) with 11th all-India rank. He joined the Indian Administrative Service in 1984 in the Gujarat cadre. In a span of over 36 years in the IAS, he served in various prominent positions in the Government of Gujarat, namely District Development Officer of Bharuch and Kutch districts, Collector & District Magistrate of Bharuch district, Commissioner of Labour, Transport, Higher Education, Bureau of Public Enterprises, Civil Supplies, Commissioner of Industries, VC&MD of Gujarat Industrial Development Corporation (GIDC), Managing Director of Gujarat State Financial Corporation, Chairman of Gujarat Pollution Control Board (GPCB), Additional Chief Secretary of Industries & Mines, Forest and Environment, and Finance Departments. He was also nominated as a director on important companies of the Government of Gujarat.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Sundaram Balasubramanian, Independent Director DIN: 02849971	3 rd November, 1942	9 th November, 2017	He is Commerce and Law Graduate and also an Associate Member of the Institutes of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India. He is also a member of Delhi Bar Council. He has vast experience in Corporate Laws. He was the Chairman of the Company Law Board for 12 years and had dealt with more than 3000 cases. He is the General Editor of Ramaiya's Guide to Companies Act 2013. Presently, he is practising as a consultant in Corporate Laws. In addition he has also been functioning as an Arbitrator.
Ms. Raina Desai Independent Director DIN : 05113035	8 th January 1991	5 th February, 2020	She is a lawyer from Jindal Global Law School & a Commerce Graduate from University of Calcutta, is a young & dynamic entrepreneurial professional having core focus in Corporate Law, Corporate Governance and Strategy & Business Management. Currently, She is, Director - Corporate Advisory Services and M&A in Baker Tilly DHC & Baker Tilly Global Centre of Excellence, a leading consultancy firm providing services in the field of business and tax advisory & solutions, corporate finance advisory, assurance, risk advisory (including forensic services & investigations) and Global Knowledge Services to a number of reputed corporates worldwide. She is affiliated to the Bar Council of Maharashtra & Goa.

* Appointed as an Independent Director w.e.f. 12th August, 2021

Confirmation regarding Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149 (6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and they are independent of the management. There has been no change in the circumstances affecting their status as an Independent Directors during the year under review.

5. Subsidiary Company

As at 31st March 2022, the Company does not have any Subsidiary Company.

6. Particulars for Investors:

Name and Designation of Compliance Officer:

Shri Anil Agrawal - Company Secretary & Compliance Officer.

E-mail: companysecretary@sanghiment.com

The Company has established In-house electronic connectivity with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for share transfer registry work. All Share Transfer/Demat are being processed in-house by the Company.

The Company had generally attended to all complaints / queries of investors within a period of 14-21 days from the date of receipt. As on 31st March, 2022, no investor complaint out of the total complaints received during the year, was pending for redressal.

Any shareholder whose grievance has not been resolved to his satisfaction may kindly write to the Company Secretary with a copy of the earlier correspondence at the above mentioned E mail ID.

The status of Investors' Complaints during the Financial Year 2021-22 as under:

Particulars	No. of Complaints
Complaints at the beginning of the year	0
Complaints received during the year	5
Complaints resolved during the year	5
Complaints remain unresolved at the end of the year	0

7. General Body Meetings

Location, date and time of Annual General Meetings held during the last three years and special resolutions passed:

Year	Date	Venue	Time	No. of.Special Resolutions passed
2021	18.09.2021	In Virtual Mode through Video Conferencing or other audio visual means	11.00 a.m.	1
2020	21.08.2020	In Virtual Mode through Video Conferencing or other audio visual means	10.00 a.m.	4
2019	14.09.2019	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	5

The Company has neither passed any special resolution requiring a postal ballot during the Financial Year 2021-22 nor any special resolution is proposed to be conducted through postal ballot as on date of this report.

8. Disclosures

- Particulars of the related party transactions are listed out in Note 34 of the Notes of Accounts of Annual Report. However, there were no materially significant related party transactions during the financial year 2021-22 that may have potential conflict with the interest of the Company at large. The company has duly formed policy for related party transaction which is uploaded on the website of the Company at <https://www.sanghiment.com/policies/>
- The Company is not having any subsidiary as on 31st March 2022 and therefore the Company is not required to adopt and approve policy for "Material Subsidiary".
- The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.
- In accordance with the requirements of Section 177 (9) of the Companies Act, 2013 read with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy approved by the Board. As per the policy in force, no person irrespective of the status or level is denied the access to the Audit Committee. The said policy is uploaded on the website of the Company at <https://www.sanghiment.com/policies/>
- The Company has complied with all the mandatory requirements of the listing regulations, in respect to the Corporate Governance.
- All the mandatory recommendations of committee have been adopted by the Board.
- During the year under review, there are no Loans or advances in the nature of loan given by the Company to any firms/ companies in which Directors are interested.

- h) The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements (Regulations), 2015.

The following non-mandatory requirements have been adopted by the Company.

- The report of Auditors is with unmodified opinion with respect to the Audited Financial Results of the Company for the quarter and year ended 31st March, 2022.
 - The Internal Auditors report directly to the Audit Committee.
- i) Disclosure of Accounting Treatment:
In preparation of financial statements, the Company has followed the applicable Indian Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.
- j) Board Disclosures – Risk management:
The business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

9. Means of Communication

A. Financial Results:

The Quarterly, Half yearly and Annual Results are published in widely circulated national and local dailies such as Financial Express and Vaartha and are displayed on the website of the Company <https://www.sanghiment.com/investors/>

B. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, institutional investors etc. are displayed on the website of the Company <https://www.sanghiment.com/investors/>

C. Website:

The Company's Website www.sanghiment.com contains a separate dedicated section namely "Investors' " where the useful information for the Shareholders is available.

10. General Shareholder Information

A. General Information:

Annual General Meeting Day, Date & Time Venue	: On or before 30 th September, 2022 : at Sanghinagar PO. Hayatnagar Mandal, : Ranga Reddy District, Telangana – 501511. This is registered office address. which will be Deemed venue of meeting in case of virtual meeting to be held through Video Conferencing / OAVM.
Financial Year / Calendar	: 1st April, 2022 to 31st March, 2023
1. Results for first quarter ending 30 th June, 2022	: On or before 14 th August, 2022
2. Results for second quarter ending 30 th September, 2022	: On or before 14 th November, 2022
3. Results for third quarter ending 31 st December, 2022	: On or before 14 th February, 2023
4. Results for fourth quarter ending 31 st March, 2023	: On or before 30 th May, 2023
Listing on Stock Exchanges Equity Shares	: 1. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

	: 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.
Debt Securities (Debentures)	: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 The Company has paid the listing fees for both Equity and Debt Securities as applicable to the above stock exchanges.
Stock Code Equity	
BSE	: 526521
NSE	: SANGHIIND
ISIN (NSDL & CDSL)	: INE999B01013
Debt	:
BSE	: 973004
ISIN	: INE999B07036
Dividend Payment Date	: Not Applicable
Registered Office	: Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511
Phone, Fax, E-mail	: Phone : 08415 – 242240 Fax : 08415 – 242239 E-mail: companysecretary@sanghicement.com
Plant Location	: Sanghipuram, Village Motiber, Taluka Abdassa, District Kutch, Gujarat – 370 511
Address for Investors Correspondence	: To the Company at its registered office address
Registrar & Transfer Agent (RTA)	: The Company has established In House electronic connectivity with NSDL & CDSL for Share Transfer Registry Work. All Share Transfer / Demat are being processed completely in house by the Company. Address for Correspondence Registered office of the Company

B. Share Transfer System:

As mandated by SEBI, securities of the Company can be transferred / traded only in demat mode. Further SEBI vide its circular dated 25.01.2022 has mandated that all the requests received for issue of duplicate shares, renewal / exchange of share certificates / consolidation / splitting / division / transmission and transposition which were allowed in physical form should be processed in dematerialised mode only.

The Company completes the process of relodged transfer requests for which an average time taken for processing of share transfers is approximately 15 days from the date of receipt of request, provided the documents are found in order.

As on 31st March, 2022 all the shares of the Company are in demat form.

C. Market Price Data:

Monthly high / low price of shares of the company traded on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2021-22 are as under:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-2021	47.75	40.20	47.80	40.30
2	May-2021	52.65	44.75	52.70	44.80
3	Jun-2021	63.00	45.65	62.85	45.60
4	Jul-2021	70.80	53.45	70.80	53.40
5	Aug-2021	84.70	59.60	84.90	59.40
6	Sept-2021	76.30	64.00	76.40	64.10
7	Oct-2021	73.30	64.75	73.50	64.55
8	Nov-2021	74.75	56.00	74.50	55.25
9	Dec-2021	63.00	52.65	61.90	52.65
10	Jan-2022	66.20	54.95	66.20	54.90
11	Feb-2022	61.50	40.35	61.40	40.05
12	Mar-2022	49.15	42.20	49.10	42.20

D. Distribution of Equity Shareholding as on 31st March, 2022

No. of Shares	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	46577	80.02	6897957	2.75
501 – 1000	5516	9.48	4581471	1.83
1001 – 2000	2879	4.95	4499939	1.79
2001 – 3000	1041	1.79	2718463	1.08
3001 – 4000	449	0.77	1631010	0.65
4001 – 5000	490	0.84	2349802	0.94
5001 – 10000	667	1.15	5137829	2.05
10001 – and above	589	1.01	223183529	88.92
Total	58208	100.00	251000000	100.00

E Distribution of Equity Shareholding according to categories of Shareholders as on 31st March, 2022

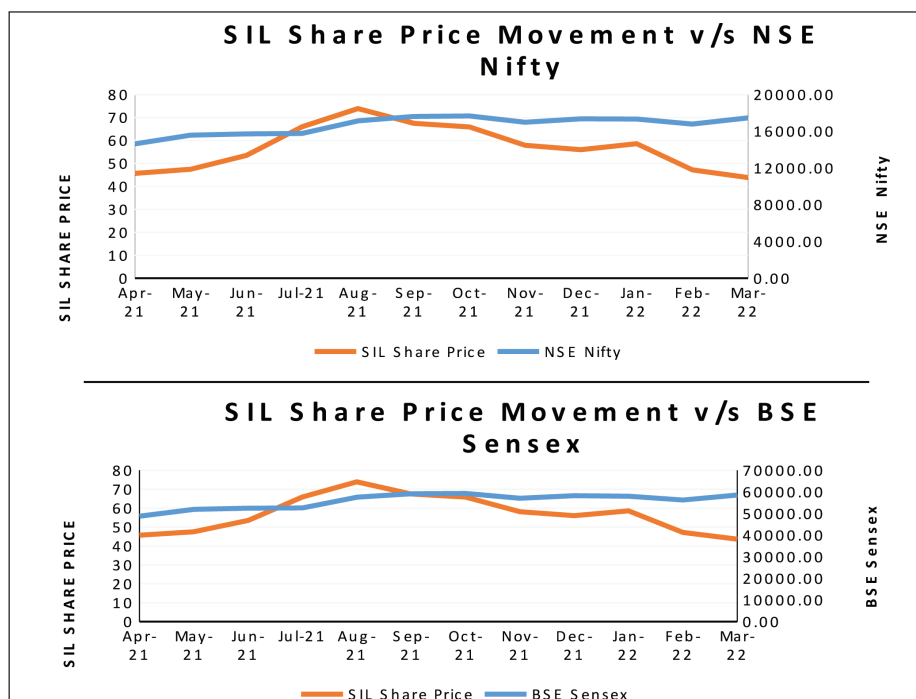
Category	No. of Shares of Rs. 10/- each	Amount (in ₹)	% to total
Promoter & Promoter Group	17,65,38,629	1,76,53,86,290	70.33
Public			
a) Mutual Funds	0	0	0
b) Alternative Investment Funds	0	0	0
c) Foreign Portfolio Investor	4,77,102	47,71,020	0.19
d) FIs / Banks	0	0	0.00
e) Insurance Companies	0	0	0
f) FI	0	0	0
g) Non-resident Indians / OCBs	15,98,322	1,59,83,220	0.64
h) Trust	1,000	10,000	0.00
i) Clearing Members	5,22,521	52,25,210	0.21
j) Bodies Corporate	93,00,853	9,30,08,530	3.71
k) Individual / HUF	6,25,61,573	62,56,15,730	24.92
Total	251000000	251,00,00,000	100.00

F. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

As on 31st March, 2022, 100% of the Equity Share Capital, representing 25,10,00,000 shares were held in demat mode.

Performance in comparison to the Broad-based indices:



G. Non Convertible Debentures:

The Company has following Non Convertible Debentures issued on Private Placement basis listed on 'Wholesale Debt Market' Segment of BSE Limited during the year under review.

Sr.	Script Code	ISIN	Description
1	973004	INE999B07036	3050 Listed, Rated, Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each

H. Details of Debenture Trustee:**Vistra ITCL (India) Limited**

Mr. Jatin Chonani, Compliance Officer
 CIN : U66020MH1995PLC095507,
 The IL&FS Financial Centre, Plot No. 22, G Block,
 Bandra Kurla Complex, Bandra (East),
 Mumbai, 400 051, India
 Tel: +91 22-26593535

Email: itclcomplianceofficer@vistra.com **Website:** www.vistraitcl.com

I. Credit Rating of Debt Instruments :

The Credit rating as on 31st March, 2022 are as under :

Instrument Type	Amount (Rupees in Crore)	Rating Agency	Rating	Outlook
Term Loan	Rs.794.50 Crore (Revised from Rs. 837 Crore)	India Rating & Research Pvt. Ltd.	IND A- (Revised from IND A)	Negative
Non-Convertible Debentures	Rs. 305 Crore	(A Fitch Group Company)	IND A- (Revised from IND A)	Negative
Fund based Limits	Rs 285 Crore		IND A- (Revised from IND A)	Negative
Non fund based limits	Rs 40 Crore		IND A2+ (Revised from IND A1)	-

J. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There is no outstanding GDRs / ADRs / warrants or any convertible instruments as on date.

K. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable**L. Total fees for all services paid by the Company to the Statutory Auditors:**

Payment to Joint Statutory Auditors	Amount (₹ In Cr)
Payment for Statutory Audit	0.30
Payment for Limited Review	0.07
Total	0.37

M. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure in relation to the above including the details of complaints if any is mentioned in the Directors' Report of the Company.

N. Certificate from Practising Company Secretary :

The Company has received Certificate from Parikh Dave & Associates, Practising Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority. The certificate forms part of this report.

O. Secretarial Auditors

M/s. Parikh Dave & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2021-22 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure – III** to this report.

11. CEO/CFO Certification

The Chairman and Managing Director / Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The Chairman and Managing Director / Chief Financial officer also give quarterly certification on financial results to the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Declaration regarding affirmation of Code of Conduct

Pursuant to the provisions of Regulation 17 and requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and according to the information provided / available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2021-2022. The Code of Conduct is also posted on the website of the Company www.sanghiment.com/ policies.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

CERTIFICATE

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **SANGHI INDUSTRIES LIMITED** (the Company) having its registered office situated at Sanghi Nagar, Ranga Reddy District, Telangana - 501511 which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on 31.03.2022 have been debarred or disqualified from being appointed or continuing as a Directors of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

**For, Parikh Dave & Associates
Company Secretaries**

Place : Ahmedabad
Date : 07-05-2022

Umesh G. Parikh
Partner
Practicing Company Secretary
FCS No. 4152 C P No. 2413
UDIN: F004152D000286445

CEO / CFO CERTIFICATION

The Board of Directors
Sanghi Industries Limited

We certify that:

1. We have reviewed the financial statements and cash flow statement of Sanghi Industries Limited (the “**Company**”) for the financial year ended 31st March, 2022 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.

These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2022, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - significant changes in internal control over financial reporting during the year, if any;
 - significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Bina Engineer
Whole-time Director & CFO
(DIN: 01653392)

Annexure II

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In terms of Section 178 of the Companies Act, 2013 read with the applicable rules thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee recommended the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company which was approved and adopted by the Board of Directors of the Company.

Objectives:

- To provide guidance to the Board for appointment and removal of Directors, KMP and Senior Management;
- To formulate criteria for performance evaluation of Directors, KMP and Senior Management and to provide necessary evaluation report to the Board;
- To recommend to the Board remuneration payable to the Directors, KMP and Senior Management.

Role of Nomination and Remuneration Committee:

The Committee shall perform the role for following matters:

Criteria for appointment of Director:

- To determine the age, qualifications, qualities, skills, positive attributes and independence of a director and other expertise required to be a Director.

Nomination of directors:

- Identifying, screening and reviewing candidates qualified to be appointed as Executive Directors, Non-Executive Directors and Independent Directors.
- Recommending to the Board candidature for appointment or re-appointment of Directors;
- The Nomination and Remuneration Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board of Directors. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it deem fit and appropriate, passing on the recommendations for the nomination to the Board.

Evaluation of Director:

The Committee develops, subject to approval by the Board, a process for an annual evaluation of the performance of the Board, the individual directors on the basis of detailed performance parameters set for directors at the beginning of the year.

The Committee may, from time-to-time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

Consultative role:

- The Nomination and remuneration Committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for senior management positions. It provides its advice and recommendations to the Board.

Senior Management of the Company consist of:

All the officers / personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO / MD/ WTD / Manager and includes the Chief Financial Officer and Company Secretary of the Company.

Evaluation of KMP and Senior Management:

- The committee shall annually review and approve for the KMP and Senior Management the corporate goals and objectives applicable to them, evaluate at least annually their performance in light of those goals and objectives, and determine and approve their (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) any other benefits, compensation or arrangements, based on this evaluation.

- The Committee may also make recommendations to the Board with respect to incentive compensation plans. The committee may review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.

Duties of Nomination and Remuneration Committee:

A. The duties of the Committee in relation to nomination matters include:

1. To ensure that appropriate induction and training programme are in place for new Directors and members of Senior Management and to periodically review its effectiveness;
2. To ensure that on appointment, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
3. To ensure that the Independent Directors continues to fulfill the Independence criteria as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
4. To determine the appropriate size, diversity and composition of the Board;
5. To identify and recommend names of Directors who are to retire by rotation;
6. To set up a formal and transparent procedure for selecting Directors for appointment to the Board;
7. To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
8. To develop a succession plan for the Board and Senior Management and to regularly review the plan;
9. To recommend necessary changes in the Board;
10. To delegate any of its powers to the members or the Secretary of the Committee;
11. To decide extension or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
12. To recommend for continuation of term of Independent Directors who have attained the age of 75 years;
13. To consider any other matters as may be requested by the Board.

B. The duties of the Committee in relation to remuneration matters include:

- a) To recommend the remuneration payable to the Senior Management of the Company in accordance with the Remuneration Policy of the Company and while designing the remuneration package it must consider that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) To ensure that the remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- c) To delegate any of its powers to the members or the Secretary of the Committee;
- d) To consider any other matters as may be requested by the Board

For and on behalf of the Board

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581
Sanghi Nagar, P.O.Hayatnagar,
Tq. RangaReddy, Dist. Hyderabad,
Telangana – 501511.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANGHI INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 and made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the year under review;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021)- Not applicable during the year under review;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16th August 2021)- As there is no fresh issue of any Non-Convertible Debt security during the year, the said provisions are not applicable in the reporting year. The debt securities

- already listed are governed by provision of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client - The Company has established In-House electronic connectivity with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for Share Transfer Registry Work. All Share Transfer / Demat work are being processed in house by the Company;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021)- Not applicable during the year under review;
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August 2021)- As there is no fresh issue of any Non-Convertible security during the year, the said provisions are not applicable in the reporting year. The debt securities already listed are governed by provision of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

During the Audit period under review, the Company has complied with provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

Having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test - check basis, the Company has generally complied with the material aspects of the following laws specifically applicable to the Company being engaged in the Cement Industry:

1. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
2. Indian Boiler Act, 1923 read with Gujarat Boiler Rules, 1966;
3. The Petroleum Act, 1934;
4. Mines Act, 1952;
5. The Mines and Mineral (Development and Regulations) Amendment Act, 2015;
6. Mineral Conservation and Development (Amendment) Rules, 2016;
7. Explosive Rules, 2008;
8. Ammonium Nitrate Rules, 2012;
9. Mineral (Auction) Rules, 2015;
10. The Minerals (Evidence of Mineral Contents) Rules, 2015;
11. Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
12. Bio-Medical Waste (Manufacturing and Handling) Rules, 2008.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Independent Director. The changes in the composition of the Board that took place during the year under review were carried out in compliance of the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings in due compliance of law. Agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate placed before the Board Meeting, we are of the opinion of that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the Audit period under review, there were no instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations.

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020**

**PLACE : AHMEDABAD
DATE : 7th May, 2022**

**UMESH G. PARIKH
PARTNER
FCS NO. 4152 CP. NO. 2413
UDIN: F004152D000286478**

Notes:

This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581
Sanghi Nagar, P.O.Hayatnagar,
Tq. RangaReddy, Dist. Hyderabad,
Telangana – 501511.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain responsible assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020

PLACE : AHMEDABAD
DATE : 7th May, 2022

UMESH G. PARIKH
PARTNER
FCS NO. 4152 CP. NO. 2413
UDIN: F004152D000286478

Annexure - IV

DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i)
- Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2022;**

Sr. No.	Director	Remuneration (₹ in lacs P.A.) (Refer Note 1)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	261.40	7.27	36
2.	Shri Aditya Sanghi	164.55	7.27	23
3.	Shri Alok Sanghi	164.55	7.27	23
4.	Smt. Bina Engineer	164.55	7.27	23
5.	Shri N B Gohil	65.00	7.27	9

- (ii)
- The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year;**

Sr. No.	Name	Designation	% Increase
1.	Shri Ravi Sanghi	Chairman and Managing Director	Nil
2.	Shri Aditya Sanghi	Whole Time Director	Nil
3.	Shri Alok Sanghi	Whole Time Director	Nil
4.	Smt. Bina Engineer	Whole Time Director and Chief Financial Officer	Nil
5.	Shri N B Gohil	Whole Time Director	Nil
6.	Shri Anil Agrawal	Company Secretary	14.22

Note

During the financial year 2021-22, the Company has rewarded all the employees with one month salary including Executive Directors.

The Other Directors are Non Executive Directors and are receiving sitting fee of Rs. 30,000 (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of Rs. 10,000 (Rupees Ten Thousand Only) from the Company for attending each meeting of the Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Risk Management Committee of Directors and for attending the Independent Directors meeting.

- (iii) **The percentage increase/decrease in the median remuneration of employees in the financial year:** 20.17 % increase in median remuneration of employees of the Company.
- (iv) **The number of permanent employees on the rolls of company:** 767 Employees.
- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees other than managerial personnel in 2021-22 was 18.19% There was no change in the Managerial remuneration during the year 2021-22 apart from 14.22% increase in remuneration of Company Secretary of the Company

Note:

During the financial year 2021-22, the Company has rewarded all the employees with one month salary including Executive Directors

(vi) Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration paid is as per the remuneration policy of the company.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

ANNUAL REPORT ON CSR ACITIVITIES

1. A brief outline of the Company's CSR Policy

The company has framed the Corporate Social Responsibility (CSR) policy in compliance with the provisions of the Companies Act, 2013. The CSR policy enumerating the CSR Activities / projects / programs undertaken / to be undertaken by the Company is in accordance with the Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee

Our CSR committee comprises of following members:

Shri S. Balasubramanian, Chairman

Shri Aditya Sanghi, Member

Shri N B Gohil, Member

The details of number of meetings held and attended by the members are provided in the Corporate Governance Report which is attached to and forming part of Directors' Report.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<http://www.sanghiment.com/policies>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
N.A.			

6. Average net profit of the Company as per Section 135 (5)

Particulars	(₹ In Crore)
Average net profits for last three financial years	76.84

7. (a) Two percent of average net profit of the company as per section 135(5)

Particulars	(₹ In Crore)
Prescribed CSR expenditure (2% of ₹ 70.42 Crore)	1.54

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

(c) Amount required to be set off for the financial year. Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 1.54 Cr.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
1.57	N.A.				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation-Through Implementation Agency CSR Registration Number
N.A.										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Animal Welfare Activity	Animal welfare	Yes	Gujarat	Kutch	0.11	Yes	NA	
2	Providing Medical Treatment and facilities.	Promoting health care including preventive health care	Yes	Gujarat	Kutch	27.52	No	Sarvodaya Trust CSR00006400	
3	Education activities- School Expenses	Promoting Education including special education and employment enhancing vocation skills	Yes	Gujarat	Kutch	29.19	No	Sarvodaya Trust CSR00006400	

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
4	Green Belt Development	Ensuring the environment sustainability, ecological balance and protection of flora and fauna	Yes	Gujarat	Kutch	55.16	Yes	NA	
5	Measures taken for prevention of COVID 19	Promoting health care including preventive health care and sanitation	Yes	Gujarat	Kutch	38.45	Yes	NA	
6	Promoting education amongst children in slum areas, providing healthcare facilities and improving livelihood of people residing in slum areas and Women Empowerment	Promoting education and healthcare including preventive healthcare	Yes	Gujarat	Kutch	0.48	No	Smile Foundation CSR00001634	
7	Providing oxygen concentrators to hospitals for treatment of COVID impacted patients	Promoting healthcare including preventive healthcare	Yes	Gujarat	Kutch	3.00	No	Impact Foundation (India) CSR00001920	

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
8	Providin Medical assistance/ support.	Promoting health care including preventive health care.	Yes	Gujarat	Kutch	2.98	Yes	NA	
Total						156.89			

- (d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: N.A.
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 1.57 Cr.
(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ in crores)
I.	Two percent of average net profit of the company as per section 135(5)	1.54
II.	Total amount spent for the Financial Year	1.57
III.	Excess amount spent for the financial year [(II)-(I)]	0.03
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
V.	Amount available for set off in succeeding financial years [(III)-(IV)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
N.A.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s):NIL
 - (b) Amount of CSR spent for creation or acquisition of capital asset:NIL
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

Place : Ahmedabad
Date : 24th May, 2022

S. Balasubramanian
Chairman-CSR Committee
(DIN: 02849971)

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Annexure-VI

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2020-21**Section A: General Information about the Company**

1	Corporate Identity Number (CIN)	L18209TG1985PLC005581	
2	Name of the Company	Sanghi Industries Limited	
3	Registered Address	Sanghinagar P.O. Hayatnagar Mandal, R R District, Telangana – 501 511.	
4	Website	www.sanghiment.com	
5	E-mail id	companysecretary@sanghiment.com	
6	Financial Year reported	2021-22	
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Industrial Group	Description
		2394	Ordinary Portland and Portland Pozzolana Cement
8	List three key product/services that the Company manufactures/provides (as in balance sheet)	Cement Clinker RMC	
9	Total number of locations where business activity is undertaken by the Company: Number of International Locations Number of National Locations	NIL	
		Seven	
10	Markets served by the Company (Local/State/National/International)	Local - Yes State - Yes National - Yes International - Yes	

Section B: Financial Details of the Company

1	Paid up capital (INR)	₹ 251.00 Crore
2	Total turnover (INR)	₹ 1140.52 Crore
3	Total Profit after taxes (INR)	₹ 40.62 Crore
4	Total Profit after taxes and other Comprehensive income (INR)	₹ 40.49 Crore
5	Total Spending on CSR as percentage of profit After tax (%)	Total Spending on CSR as percentage of profit After tax (%) The company has spent Rs. 1.57 crores during financial year 2021-22 which amounts to 2.04% of the average net profits for last three years.
6	List of activities in which expenditure in 5 above has been incurred	<ol style="list-style-type: none"> 1. Animal Welfare 2. Promoting education including special education and employment enhancing vocation skills 3. Promoting health care including preventive health care, livelihood enhancement projects and empowering women 4. Ensuring the environment sustainability, ecological balance and protection of flora and fauna 5. Measures for prevention of COVID 19 (Sanatization, Testing, Mask, etc.)

Section C: Other Details

1	Does the Company have any Subsidiary Company / Companies?	As on 31 st March, 2022, the Company does not have any Subsidiary Company.
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?	Not Applicable
3	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]	No other entity / entities with whom Company does business i.e. suppliers, distributors, etc. do not participate in the BR initiatives of the Company.

Section D: BR Information**1. Details of Director / Directors responsible for BR:****a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:**

Sr. No.	Particulars	Details
1	DIN (if applicable)	05149953
2	Name	Shri N B Gohil
3	Designation	Whole Time Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	05149953
2	Name	Shri N B Gohil
3	Designation	Whole Time Director
4	Telephone Number	02831-274131/32/33
5	E mail Id	info@sanghiment.com

2. Principle-wise (as per NVGs) BR Policy / Policies:**a) Details of compliance (Reply in Y/N)**

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	www.sanghiment.com/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key stakeholders of the Company. The communication is an on-going process to cover all stakeholders.								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The management of the Company oversees the implementation and monitor the BR performance on periodical basis at-least annually.
2	Does the Company publish a BR or a Sustainability Report? What is the hyper-link published?	The Business Responsibility Report (BRR) is applicable to our company w.e.f. 1 st April, 2021. Company will publish BRR annually alongwith Annual Report.

Section E: Principle-wise Performance

Principle-1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers / Contractors /NGOs / Others?	Company has adopted a policy of Code of Business Conduct and Ethics. The policy relating to ethics, bribery and corruption covers the Directors as well as employees of the organization. Additionally, the company has also adopted Code of Conduct for Vendors & Business Ethics Policy. The said policy covers suppliers / vendors / agents / contractors etc.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Total five complaints were received and all were resolved. As on 31.03.2022 no complaint is outstanding.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	<p>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.</p>	<p>The company manufactures Clinker & different types of Cements such as Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC) and Portland Slag Cement (PSC).</p> <p>The company realize its obligations on environmental & social governance. Therefore, the company has made all efforts to ensure that the product is manufactured in a safe, environment friendly and responsible manner. The company has constantly improved operational efficiencies, reduced waste generation, reuse and recycling it, reducing specific energy and water consumption over the years.</p> <p>The company has adopted best in class technologies and processes to manufacture its product, utilizing optimum resources.</p> <p>Manufacturing process involves use of six stage three strings pre-heater, vertical roller mill, state of the art clinker loading terminals, surface miner for mining and closed circuit cement grinding systems which are most energy efficient and technologically advanced as on date. The company has implemented series of measures during the year such as increasing the amount of alternative raw material and fuels in the manufacturing process, increase of composite cement mix to increase the utilization of ash and slag. Thus, saving natural resources. Regular carbon footprint analysis is being done to reduce greenhouse gas emissions and massive tree plantation has been done in the entire complex.</p>
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):</p> <p>a) Reduction during sourcing / production / distribution achieved since the previous year through the value chain:</p> <p>b) Reduction during usage by consumers (energy, water) achieved since the previous year?</p>	<p>The company is committed to sustainable production and consumption. The company strives its best to reduce the specific resources consumed per unit of cement produced. The Company has conducted energy audit by external agency for the heat and mass balance of process optimization of clinker and cement manufacturing regularly.</p> <p>The plant has reduced their energy consumption by 2.1% during 2021-22 compared to 2020-21. The specific water consumption has been reduced by 1.1 % compared to previous year by implementing water conservation initiatives.</p> <p>The company has replaced the conventional cooling tower with new advanced cooling tower to reduce the water consumption.</p> <p>Line-2 clinker plant started with existing additive & coal handling system without compromising the productivity of the both plants by upgradation of the existing system.</p> <p>Not applicable as company does not collect any information on energy & water from its customers.</p>

3	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the company has a sustainable sourcing strategy. The company ensures during the primary transport Vendor selection process that Vendors confirm to social, ethical and environment performance factors.</p> <p>This is ensured both through internal verification as well as contractual terms built into contracts. Company adhere to International Standard such as ISO 14001 (Environmental Management System) and ensure compliance of the national and international rules and regulations.</p> <p>Besides the environmental impacts during sourcing, transportation activities have also been assessed and adequate measures are taken for sustainable operation. The company has installed closed belt conveyor of 3.2 Km for transportation of Limestone from Mines to Clinker plant, preventive use of trucks for transportation, thereby reducing pollution as well as the risk of road safety incidents.</p> <p>The company has also established it own Jetty and fleet of Bulk Cement Carriers as a sustainable source of cement transportation through sea route.</p> <p>The company is utilizing Alternative Fuel & Raw Material (AFR) in co-processing at the unit for which AFR facility is developed. Permission for utilization of different Hazardous Waste as an AFR has been obtained from SPCB. The company is increasing the usage of AFR year on year to reduce the dependency on conventional fuels such as Coal.</p>
4	<p>Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?</p>	<p>Yes, the Company is procuring products and services from local producers/small scale vendors and communities surrounding to its plant location at a reasonably good price and on fair terms and conditions which is in their benefit so that they can improve their capacity / capability. The contractors who are engaged in operations, maintenance and housekeeping, mostly employ workmen from surrounding villages.</p>
5	<p>Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has implemented a system to recycle product and waste.</p> <p>100% of Fly ash and bottom ash which is generated from our own thermal power plant is utilized in manufacturing of Portland pozollana Cement (PPC) in own cement manufacturing unit.</p> <p>100% substitution of natural Gypsum with industrial waste material called chemical gypsum. 70% recycling of Kiln Process Dust in to final product circuit. Waste water generated from our plant and colony is recycled and reused in dust suppression and greenbelt development.</p> <p>Approx 8 % TSR is being achieved through usage of AFR.</p>

	<p>Waste generated from the maintenance workshop & vehicle repairing workshops is being segregated and collected. The waste like oil soaked cotton waste, used oil, steel scrap, batteries, hazardous waste etc are co-processed in the cement kiln and remaining quantum of these waste such as steel scrap, batteries, sold to the authorized recyclers and respective returns filled to the concerned regulatory body.</p> <p>The company has vigorously pursued its goal of sustainable development through exacting standard in environmental conservation, emission control, promotion of alternative fuel & raw materials and waste management.</p>
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Principle 3: Business should promote the wellbeing of all employees

1	Please indicate total number of employees	767			
2	Please indicate total number of employees hired on temporary/contractual/casual basis	994			
3	Please indicate the number of permanent women employees	19			
4	Please indicate the number of permanent employees with disabilities	2			
5	Do you have an employee association that is recognized by the Management?	No			
6	What percentage of permanent employees is members of this recognized employee association?	NA			
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Sr. No.	Category	No. of Complaints filed during Financial Year	No. of complaints pending as on end of Financial Year
		1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
		2	Sexual Harassment	Nil	Nil
		3	Discriminatory employment	Nil	Nil
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	A.	Permanent employees	100%	
		B.	Permanent women employees	100%	
		C.	Casual / Temporary / Contractual employee	96%	
		D.	Employees with disabilities	100%	

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its Internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. communities around plants and its workers / contractual workers.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	<p>Company has established full-fledged hospital with full functioning Pathological Lab at Plant site under the name of "Sarvodaya Health Care Centre" for the employees and nearby villagers. Free Medical Check ups, covid test in regular intervals, free medicines & covid vaccination Camp for Regular doze, Precaution Doze & Immunization doses for Children being provided to employees & villagers of surrounding 15 villages. Apart from that Visiting Specialist Doctors in our Health Center on regular basis. Medical centre introduced new facilities like CBC machine (Complete blood count) & Oxygen concentrator etc.</p> <p>The company has taken the new initiative as insisted upon by the Gujarat state transport to start the New Bus from Sanghipuram for the benefit of employees & nearby villagers.</p> <p>The Company is also running the Sarvodaya Trust a CBSE affiliated High School - "Smt. Kamla Rani Sanghi Public School" at Sanghipuram, Kutch. The School is having its own building with adequate teaching and support staff, laboratories, library and a huge play ground. Apart from running this school, the Trust has opened Balwadi in the 3 nearby villages - Akri, Jadva & Motibar. The Trust also encourages adult education in the nearby villages. Teachers of the school are moving in the nearby villages educating the children and adults by taking special classes. Further, the Company is Industry partner at ITI - Panandhro - Kutch in developing 'Centre of Excellence' through Public Private Partnership Scheme of Central Government for up-gradation of ITIs since 2008-09.</p>

Principle 5: Business should respect and promote human rights:

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company is having IMS Policy which supports and respects the human rights. Our company is committed to provide necessary resources to safeguard the quality, health, safety, environment and welfare of our employees and all the people affected by our operations. The Company addresses the human rights by complying applicable laws like Factories Act, Labour Welfare Act, etc. Company has embodied some human rights principles such as child labour, forced labour, etc. It has well established policy for prohibition of sexual harassment of women at workplace.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Principle 6: Business should respect, protect, and make effort to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs/ others.	The company has a Policy on Environment which is applicable to all operations of Sanghi Industries Limited.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.	<p>Yes, the Company is committed to reduce GHG emissions from its operations. Various initiatives implemented to reduce overall GHG emissions are given as under:</p> <ul style="list-style-type: none"> i. The company has conducted regular Carbon footprint analysis to study the total GHG emissions from Cement Manufacturing, Bulk terminals, RMC units and HO and Regional Offices and identified scope of improvement. ii. Improvement in blended cement ratio by using fly ash & slag and reducing clinker factor iii. Continuous focus on use of alternative fuels for reduction of traditional fuel such as coal. iv. Continuous improvement on thermal & electrical energy consumption. v. Increasing logistics through sea routes vi. Installation of waste Heat Recovery Plant for utilization of waste heat. vii. Utilization of fly ash and bottom ash generated from own thermal power plant in cement grinding. viii. Rainwater harvesting and afforestation to increase the green cover. ix. To reduce the consumption of R-22 gases in air conditioner in phase manner dangerous to the ozone layer depleting. Replacement of R-22 gas with R-32, R-410A & R-134 which has no chlorine in its molecule, so it has zero ozone depleting potential x. The company are using CFC/CTC free cleaning products that are not harmful to the environment. xi. The company are using liquid based AFR to reduce the carbon emission
3	Does the Company identify and assess potential environmental risks? Y/N	Yes, the company is developed a mechanism to identify and assess environmental risks at plant as well as corporate level and proper mitigation processes are formulated
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The company has participated in CDM project in the year 2007 for installation of C2 string for energy efficiency. This project was designed to accrue 18636 Certified Emission Reduction for next 10 years. The company had obtained Host Country Approval.

5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	<p>Yes. The company is focusing on clean technology, energy efficiency and renewable energy. 15 MW waste heat recovery system is installed at clinker plant. The company is monitoring its specific electrical and thermal energy consumption and employs measures for improving energy efficiency.</p> <p>The company is also focusing on co-processing of industrial waste of other industries as alternative fuel & raw material. The alternative fuel is reducing coal consumption & during 2021-22 approx 8 % TSR is achieved at the unit.</p>
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	<p>Yes. The company implemented various measures to ensure complete compliance to the applicable emission / waste standards. The company has been implemented comprehensive maintenance of ESP, Bag house & Bag filters to reduce the emission.</p> <p>The company continuous monitoring the false air across the major equipment to reduce the emission.</p>
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	No show cause / legal notices received from CPCB / SPCB which are pending as on end of the financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	<p>The Company is a member of several industry associations through which it interacts with its peers and discusses key issues in the products which it manufactures. The major associations where the Company is a member are:-</p> <ol style="list-style-type: none"> 1. Federation of Indian Mineral Industries (FIMI) 2. Cement Manufacturers' Association (CMA) 3. Gujarat Chamber of Commerce & Industry (GCCl) 4. Federation of Kutch Industries Association (FOKIA) 5. Gujarat Mineral Industry Association (GMIA)
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	<p>Yes</p> <p>We continue to work with Associations for advocating good practices in the Industry, energy conservation, sustainable mining practices, use of alternative fuels, Economic Reforms, and Policy interventions in environment, climate change and sustainability.</p>

Principle 8: Business should support inclusive growth and equitable development

1.	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>The Company has focused on developing the social infrastructure in the surrounding area where most villages suffered from chronic ills like limited livelihood options, acute scarcity of water, poor or no healthcare facilities, barren land and no set up for education.</p> <p>The Company is undertaking various socio-economic welfare activities relating to :</p> <ul style="list-style-type: none"> - Rural Development - Public Welfare & Charitable Work - Health & Education - Drinking Water Supply - Conservation of Wild Life - Protection of Environment - Maintaining sanitation & hygiene - Medical help to needy people - Preventive health care and sanitation <p>The above programs / initiatives are aligned with CSR Policy in line with Section 135 and Schedule-VII of the Companies Act, 2013.</p>
2	Are the programmes/projects undertaken through inhouse team/own foundation / external NGO / government structures/any other organization?	The Company is undertaking the above mentioned CSR activities either directly or through its registered trust called "SARVODAYA TRUST".
3	Have you done any impact assessment of your initiative?	All CSR activities are being monitored by the CSR Committee. The assessment is done through discussions among the Committee members/and CSR execution team and other participants for further improvement.
4	What is the Company's direct contribution to community development projects- Amount in INR and details of the projects undertaken?	The Company has spent Rs. 1.57 Crores on CSR activities during the year 2021-22 which includes animal welfare, education, Preventive health care and sanitation etc.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	<p>Company has developed monitoring mechanism for ensuring implementation of the projects / programs/ activities proposed to be undertaken by the Company.</p> <p>Our team members identify the needs of the nearby community and supervise the programs which are being implemented and whether they are benefiting to them or not. The Company is always eager to promote new initiatives for community development.</p>

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No customer complaints/consumer cases are pending as on the end of the Financial Year.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).	The company displays Product information as mandated by Bureau of Indian Standard (BIS)
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.If so, provide details thereof, in about 50 words or so.	There is no such case filed by any stakeholder during last five years and pending as on end of financial year i.e. 31.03.2022.
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	Yes, we do carry consumer survey for continuous improvement in our product and services.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th May, 2022

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Independent Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,
The Members of
Sanghi Industries Limited.

1. This certificate is issued in accordance with the terms of our engagement letter dated 9th July, 2021.
2. We have examined the compliance of conditions of Corporate Governance by Sanghi Industries Limited ('the Company') for the year ended 31st March, 2022 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Guideline stipulated in the Listing Regulations

Auditor's Responsibility

4. Our examination is limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2022
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.K. Mehta & Co.
Chartered Accountants
FRN:000478N

Place: Delhi
Date: 24th May 2022

CA Rohit Mehta
(Partner)
M. No.: 091382
UDIN: 22091382AJNGKX3755

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANGHI INDUSTRIES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of Sanghi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit including other comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note No. 47 to the Financial Statement, which describes the impact of Covid-19 pandemic on the company's operations and results as assessed by the management.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Financial Statements section of our report, including in relation to that matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Financial Statements.

Sr. No.	Key Audit Matter	Description of Key Audit Matter	How Key Audit Matter was Addressed in our Audit
1.	Property, Plant and Equipment	Property, plant and equipment requires the management to exercise significant judgment in relation to the estimate of	Our audit procedures in relation to the depreciable life of Property, Plant and Equipment included: Testing the key controls over the

		<p>depreciable lives of the assets considering the technical factors which may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year.</p> <p>The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually.</p> <p>We focused on this matter because of the complexity involved in determining the residual value and useful life.</p>	<p>management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.</p> <p>Benchmarking the useful life of plant & machinery by comparing the peers in the cement industry.</p> <p>Placing the reliance on the technical report of Chartered Engineer for complexity involved in the residual value of plant & machinery.</p> <p>Review of the internal assessment done by the management and independent opinion done by the management.</p> <p>Assessment of appropriateness of disclosures provided in the Financial Statements.</p>
2.	Contingent Liabilities	<p>There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with the management regarding any material developments thereto and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examined management's judgements and assessments in respect of whether provisions are required; - considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote. - reviewed the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p>

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Director is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 36 to the financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts except as disclosed in Note 36 for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2022.
- iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid any dividend during the current year.

For Chaturvedi & Shah LLP,
Chartered Accountants
Firm's Registration No: 101720W/W100355

For S.K Mehta & Co,
Chartered Accountants
Firm's Registration No: 000478N

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 22110248AJNGQK6574

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 22091382AJNDXC2663

Place : Mumbai
Date : May 24, 2022

Place : New Delhi
Date : May 24, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANGHI INDUSTRIES LIMITED

(Referred to in paragraph 1 under the heading of “Report on other legal and regulatory requirements” section of our report of even date)

- i) In respect of its Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
 - (B) The Company does not have Intangible Assets, therefore reporting under this clause is not applicable.
 - b) As explained to us, Property, Plant & Equipment and right-of-use assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and the records examined by us, title deeds in respect of immovable properties disclosed as Property, Plant & Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are in the name of the Company as at the balance sheet date.
 - d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have Intangible Assets during the year.
 - e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, quarterly returns and statements, comprising stock statements, book debt statements, Trade payable and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company except as disclosed below. (Also Refer Note No. 51 to the financial statements):

(Rs. in Crores)

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of account	Amount as reported in the quarterly returns and statements	Amount of difference
Inventories & Trade Receivables	June 2021	402.14	438.03	35.89
	September 2021	405.24	421.10	15.86
Trade Payables(*)	December 2021	470.74	480.93	10.19
	March 2022	416.46	401.26	(15.20)
Trade Payables(*)	June 2021	82.15	78.80	(3.35)
	September 2021	65.36	62.99	(2.37)
	December 2021	98.35	95.72	(2.63)
	March 2022	100.28	92.83	(7.45)

*Excluding amount payables for post-production activities, project and long term Trade Payables as per the consistent practice followed by the company and accepted by its lender.

- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not made investment or provided any guarantee or security or has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause 3 (iii) (a), (b), (c), (d) (e) and (f) of the Order are not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and accordingly the compliance under Section 185 and 186 of the Act is not applicable and hence reporting under clause 3 (iv) of the Order is not applicable to the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause 3 (v) of the Order is not applicable to the Company.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate
- vii) In respect of Statutory dues :
- a) According to the records of the Company examined by us, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as March 31, 2022 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute, except for the items set out as below:

Name of Statute	Nature of Dues	Amount (Rs. in Crore)	Period to which amount relates	Forum where dispute is pending
Central Act, 1944	Excise Duty	57.59	Various years	Excise, Customs, Excise & service tax Appellate Tribunal
Service Tax The Finance Act, 1994	CENVAT Credit	4.08	Various years	Customs, Excise & service tax Appellate Tribunal
Custom Act, 1962	Custom Duty	12.41	2005-10	Customs, Excise & service tax Appellate Tribunal
Sales Tax	Sales Tax	1.76	Various years	Joint Commissioner Appeal, Rajkot
GST	GST Compensation Cess	2.28	2017-18, 2018-19 and 2020-21	Dy. Commissioner (Appeals) of Gujarat GST and Gujarat High Court
The Gujarat Land Revenue Code	Land Revenue	1.17	Various years	Gujarat High Court
Gujarat Water Supply and Sewerage Board Act, 1978	Water Charges	26.38	2012-13 to 2015-16	Gujarat High Court

- viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans during the year have been applied, prima facie, for the purpose for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at year end i.e. March 31, 2022, we report that short-term funds to the extent of Rs. 135.71 crores have been used for long-term purposes.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable to the Company.

- b) In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section 12 of section 143 of the Act has been submitted filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this audit report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and accordingly, provisions of clause 3(xi) c of the order are not applicable.
- xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of Companies Act.
- xvi) a) In our Opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable.
- b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) and 3(vi)(d) of the Order are not applicable
- xvii) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management business plans, promoters undertaking to infuse funds, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the

Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) With respect to CSR contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
 - b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

**For Chaturvedi & Shah LLP,
Chartered Accountants**
Firm's Registration No: 101720W/W100355

**For S.K Mehta & Co,
Chartered Accountants**
Firm's Registration No: 000478N

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 22110248AJNGQK6574

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 22091382AJNDXC2663

Place : Mumbai
Date : May 24, 2022

Place : New Delhi
Date : May 24, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF SANGHI INDUSTRIES LIMITED

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the financial statements of Sanghi Industries Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial control, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company’s internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Financial Statements, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Chaturvedi & Shah LLP,
Chartered Accountants**
Firm's Registration No: 101720W/W100355

**For S.K Mehta & Co,
Chartered Accountants**
Firm's Registration No: 000478N

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 22110248AJNGQK6574

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 22091382AJNDXC2663

Place : Mumbai
Date : May 24, 2022

Place : New Delhi
Date : May 24, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR in crores

Particulars	Note	31 March 22	31 March 21
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	3,163.07	1,652.08
(b) Capital work in progress	2	42.21	1,337.84
(c) Deferred tax assets (net)	3	36.94	51.59
(d) Other non current assets	4	10.04	8.25
Total non current assets		3,252.26	3,049.76
2 Current assets			
(a) Inventories	5	323.79	351.08
(b) Financial Assets			
(i) Trade receivables	6	92.67	48.95
(ii) Cash and cash equivalents	7	0.14	1.15
(iii) Bank balances other than Cash and Cash Equivalent	8	45.59	31.89
(iv) Other financial assets	9	29.57	29.38
(c) Other current assets	10	71.76	91.89
Total current assets		563.52	554.34
TOTAL ASSETS		3,815.78	3,604.10
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	251.00	251.00
(b) Other Equity	12	1,583.23	1,542.74
Total Equity		1,834.23	1,793.74
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,008.51	1,059.08
(ii) Lease Liabilities	14	17.15	18.41
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15	0.00	0.00
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	15	78.10	0.00
(iii) Other financial liabilities	16	53.69	58.85
(b) Provisions	17	35.35	37.00
Total non current liabilities		1,192.80	1,173.34
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	369.80	336.00
(ii) Lease Liabilities	18	1.26	1.58
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	19	0.03	0.17
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	19	270.69	137.62
(iii) Other financial liabilities	20	48.41	64.73
(b) Deferred Revenue	21	4.78	10.76
(c) Other current liabilities	22	75.02	40.68
(d) Provisions	23	18.76	45.48
Total current liabilities		788.75	637.02
Total liabilities		1,981.55	1,810.36
TOTAL EQUITY AND LIABILITIES		3,815.78	3,604.10
Significant Accounting Policies	1		
The accompanying notes 1 to 53 are an integral part of the Financial Statements			

As per report of even date

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W/W100355

Vitsh D. Gandhi
Partner
M. No. 110248
Place : Mumbai

Place : Ahmedabad
Date : 24th May, 2022

For S. K. Mehta & Co,
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

For and on behalf of the Board of Directors

Ravi Sanghi - Chairman and Managing Director
Aditya Sanghi - Executive Director
Alok Sanghi - Executive Director
Bina Engineer - Executive Director & CFO
N.B. Gohil - Executive Director
Sadashiv Sawrikar - Independent Director
D.K. Kambale - Independent Director
D.B.N. Rao - Independent Director
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
Anil Agrawal - Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

INR in crores

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Sale of Products (Refer Note 42)		1,122.69	935.98
Other Operating Income		6.73	3.25
I. Revenue from Operations		1,129.42	939.23
II. Other income	24	11.10	8.94
III. Total Income (I+II)		1,140.52	948.17
IV. Expenses			
Cost of materials consumed	25	61.21	57.15
Purchases of Stock in Trade		29.62	24.15
Changes in inventories of finished goods and work-in-progress	26	(17.52)	4.13
Power and fuel		408.54	227.67
Employee Benefits Expense	27	66.44	47.85
Selling Expenses	28	284.51	258.23
Finance costs	29	81.96	73.18
Depreciation and Amortization Expenses	30	64.17	63.70
Other Expenses	31	104.84	79.53
Total Expenses (IV)		1,083.77	835.59
V. Profit before Exceptional Items and Tax (III – IV)		56.75	112.58
Exceptional Items		-	-
VI. Profit before Tax		56.75	112.58
VII. Tax expense:			
1. Current tax		-	-
2. Current tax adjustments of earlier years		1.53	-
3. Deferred tax	3	14.60	34.39
VIII. Profit for the year (VI – VII)		40.62	78.19
IX. Other comprehensive income	32		
A I) Items that will not be reclassified to profit or loss		(0.18)	0.26
II) Income tax related to items that will not be reclassified to profit or loss		0.05	(0.07)
B I) Items that will be reclassified to profit or loss		-	-
ii) Income tax related to items that will be reclassified to profit or loss		-	-
Total Other comprehensive income for the year		(0.13)	0.19
X.. Total comprehensive income for the year		40.49	78.38
XI. Earnings per equity share	33		
1. Basic		1.62	3.12
2. Diluted		1.62	3.12
Significant Accounting Policies	1		
The accompanying notes 1 to 53 are an integral part of the Financial Statements			

As per report of even date

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W/W100355

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Mumbai

Place : Ahmedabad
Date : 24th May, 2022

For S. K. Mehta & Co,
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

For and on behalf of the Board of Directors

Ravi Sanghi - Chairman and Managing Director
Aditya Sanghi - Executive Director
Alok Sanghi - Executive Director
Bina Engineer - Executive Director & CFO
N.B. Gohil - Executive Director
Sadashiv Sawrikar - Independent Director
D.K. Kambale - Independent Director
D.B.N. Rao - Independent Director
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
Anil Agrawal - Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Crores)

	31.3.2022	31.3.2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax as per Statement of Profit and Loss	56.75	112.58
Adjustments for:		
Depreciation and amortisation	64.17	63.70
Loss/(Profit) on sale of Property, Plant and Equipment	(0.64)	3.13
Interest Income	(1.48)	(2.41)
Foreign Exchange (gain)/loss	0.38	(0.04)
Interest and other Financial Charges	81.96	73.18
Operating Profit before Working Capital Changes	201.14	250.14
Adjustments for:		
(Increase)/Decrease in Inventories	27.29	5.50
(Increase)/Decrease in Trade Receivable	(43.69)	(9.57)
(Increase)/Decrease in Other Current and Non Current Assets and Loans and Advances	25.60	8.51
Increase/(Decrease) in Trade Payable	210.99	6.54
Increase/(Decrease) in Other Current and Non-Current Liabilities and Provisions	(18.13)	36.91
Cash Generated from Operations	403.20	298.03
Income Taxes (paid) / Refund	(1.10)	3.53
Net Cash flow from / (used in) Operating Activities	402.10	301.56
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Addition of Property, Plant and Equipment and Capital Work-In-Progress (Net)	(293.47)	(368.13)
Proceeds from disposal of Property, Plant and Equipment and Capital Work-In-Progress	6.95	4.26
Withdrawal/(Investment) in Fixed Deposit with Banks	(13.70)	19.75
Interest Received	1.82	2.62
Net Cash Flow from / (used in) Investing Activities	(298.40)	(341.50)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
(Repayment) / Receipt of short term borrowings	(3.25)	24.97
Receipts of Long term borrowings	24.45	413.46
Repayment of long term borrowings	(46.04)	(332.68)
Interest and other Financial Charges	(79.87)	(66.94)
Net Cash Flow from / (used in) Financing Activities	(104.71)	38.81
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1.01)	(1.13)
Cash and Cash equivalents (Opening Balance)	1.15	2.28
Cash and Cash equivalents (Closing Balance)	0.14	1.15
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.14	0.16
Bank Balances	0.00	0.99
Cash and Cash Equivalents (Refer Note No. 7)	0.14	1.15

As per report of even date

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W/W100355

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Mumbai

Place : Ahmedabad
Date : 24th May, 2022

For S. K. Mehta & Co,
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

For and on behalf of the Board of Directors

Ravi Sanghi - Chairman and Managing Director
Aditya Sanghi - Executive Director
Alok Sanghi - Executive Director
Bina Engineer - Executive Director & CFO
N.B. Gohil - Executive Director
Sadashiv Sawrikar - Independent Director
D.K. Kambale - Independent Director
D.B.N. Rao - Independent Director
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
Anil Agrawal - Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDING 31 MARCH 2022

(INR in Crores)

A. Equity Share Capital						
Balance as at 1 st April 2020						251.00
Change during the year 2020-21						-
Balance as at 31 st March 2021						251.00
Change during the year 2021-22						-
Balance as at 31 st March 2022						251.00

B. OTHER EQUITY						
Particulars	Reserves & Surplus					Total
	Security Premium	Capital redemption reserve	Debenture Redemption reserve	Retained earnings	Other Comprehensive Income	
Balance at 31 March, 2020	409.34	84.84	22.77	947.57	(0.16)	1,464.36
Additions:						
Profit for the year	-	-	-	78.19		78.19
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-		0.19	0.19
Transfer from debenture redemption reserve	-	-	-	22.77		22.77
Total -	-	-	-	100.96	0.19	101.15
Transfer to retained earnings			(22.77)			(22.77)
Balance at 31 March, 2021	409.34	84.84	0.00	1,048.52	0.03	1,542.74
Additions:						
Profit for the year	-	-	-	40.62		40.62
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-		(0.13)	(0.13)
Total -	-	-	-	40.62	(0.13)	40.49
Balance at 31 March, 2022	409.34	84.84	-	1,089.14	(0.10)	1,583.23

As per report of even date

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W/W100355

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Mumbai

Place : Ahmedabad
Date : 24th May, 2022

For S. K. Mehta & Co,
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

For and on behalf of the Board of Directors

Ravi Sanghi - Chairman and Managing Director
Aditya Sanghi - Executive Director
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D.K. Kambale - Independent Director
D.B.N. Rao - Independent Director
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
Anil Agrawal - Company Secretary

Significant Accounting Policies

Note - 1:

A. Company Information

Sanghi Industries Limited is engaged in the manufacturing and marketing of cement and cement products in domestic and export market. The Company's manufacturing facilities are at Sanghipuram, Gujarat and Registered Office at Sanghi Nagar, R.R. District, Telangana. Equity shares of the Company are listed on The National Stock Exchange and BSE Limited in India. The Financial Statements were approved and adopted by Board of Directors of the company in their meeting held on 24th May, 2022.

B. Significant accounting policies

a. Basis of preparation

i. Compliance with Indian Accounting Standards

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, and other relevant provisions of the Act, as amended from time to time.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) are measured at fair value.

b. Revenue from contracts with customers

"Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized upon transfer of control of promised goods to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods. In determining the transaction price for the sales of goods, the company considers the effects of variable consideration and existence of significant financing components if any.

c. Interest Income

Interest income is recognised using the effective interest rate method.

d. Property, plant and equipment

In accordance with Ind AS 16, the company has elected to fair value the freehold land. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'Property, plant and equipment' are recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use. it may be depreciated from the date of purchase of the spare part.

Expenditure directly attributable to setting up / construction of new projects are capitalised. Administrative and other general overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profit/Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. Depreciation on Property, Plant and Equipment is provided on straight line method as per useful life and residual value as provided in Schedule II of the Companies Act, 2013, except in following cases, where the useful life and residual value is taken based on technical report received from Chartered Engineer and as approved by the management. Cement manufacturing plant is considered as continuous process plant:

Nature of Assets	Useful life and Residual value
Plant & Machinery	30 to 50 Years and Residual Value 5 to 10%
Civil Structure	30 to 60 years

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortized equally over the period of lease.

Leasehold improvement is depreciated over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/ amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right of use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

f. Impairment of asset

Carrying amount of Property, Plant and Equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are expensed in the period in which they occur.

h. Financial instruments

1. Financial assets

Financial assets are measured as at amortised cost, contractual revenue receivables and lease receivables.

Derecognition

A Financial Asset is primarily derecognized when:

- i. The rights to receive cash flows from asset has expired, or
- ii. The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Financial liabilities

Initial recognition and measurement

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The same is recognized at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

i. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss

j. Taxes on Income**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilized.

k. Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials cost includes cost of purchase and other costs incurred in bringing the inventories to their present location

and condition. For finished goods and work in progress, cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Items of spare parts that does not meet the definition of 'property, plant and equipment are recognised as a part of inventories.

l. Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Post-employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long-term benefits are charged to the statement of other comprehensive income.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

n. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

p. Use of estimates and judgments

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from

these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

q. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

r. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- A. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- B. Held primarily for the purpose of trading;
- C. Expected to be realised within twelve months after the reporting period, or
- D. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

s) Foreign currency translation

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss unless otherwise disclosed.

t) Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

u) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores (up to two decimals) as per the requirements of Schedule III, unless otherwise stated.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 2 - Property, Plant and Equipment:

Current Year

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2021	Additions	Disposals / Adjustments	As on 31st March 2022	Upto 31.03. 2021	Charge for the year	Disposals / Adjustments	As on 31st March 2022	W.D.V as on 31st March 2022	W.D.V as on 31st March 2021
Own Assets										
Freehold land	332.36	0.31	-	332.67	-			-	332.67	332.36
Building	175.11	386.43	-	561.54	82.03	5.15	0.14	87.03	474.50	93.08
Leasehold Improvements	4.87	-	-	4.87	1.07	0.48	-	1.55	3.32	3.81
Plant and Equipment	2,336.14	1193.99	8.20	3,521.93	1,159.50	51.95	4.53	1,206.92	2,315.00	1,176.64
Furniture and Fixtures	23.28	-	0.05	23.23	11.07	1.06	0.04	12.09	11.14	12.22
Vehicles	21.65	0.10	2.76	18.99	14.96	1.65	2.67	13.94	5.05	6.69
Office Equipment	2.67	0.01	0.09	2.59	2.12	0.22	0.09	2.25	0.34	0.55
Electrical Installations	115.22	-	57.65	57.57	110.42	0.66	55.07	56.01	1.56	4.80
Laboratory Equipment	2.12	0.13	0.00	2.25	1.55	0.20	-	1.75	0.50	0.57
Computers	10.10	0.40	4.10	6.40	9.09	0.31	4.10	5.30	1.10	1.01
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	0.00	0.00
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	3,023.66	1,581.36	72.85	4,532.17	1,391.90	61.69	66.65	1,386.95	3,145.22	1,631.76
Right of Use Assets										
Building	15.58	-	-	15.58	1.87	1.09	-	2.96	12.62	13.71
Plant & Machinery	6.96	-	-	6.96	0.35	1.39	-	1.74	5.22	6.62
Sub-total	22.55	-	-	22.55	2.22	2.48	-	4.70	17.85	20.33
TOTAL	3,046.21	1,581.36	72.85	4,554.72	1,394.13	64.17	66.65	1,391.65	3,163.07	1,652.08
Capital work-in-progress	1,337.84	217.48	1,513.11	42.21	-	-	-	-	42.21	1,337.84
TOTAL	4,384.05	1,798.84	1,585.96	4,596.93	1,394.13	64.17	66.65	1,391.65	3,205.28	2,989.93

Notes :

1. It includes INR 93.35 Crore Borrowing cost capitalised during FY 2021-22 (FY 2020-21 INR 91.73 Crore)
2. Refer Note 13 regarding information for Assets Hypothecation/ Pledged for Borrowings
3. Refer Note 36 regarding Capital Commitment for Property, Plant & Equipment
4. Refer Note 45 regarding accounting of leases

5. Ageing of Capital Work in Progress as on 31.03.2022

INR in crores

CWIP	Amount of CWIP for a period of				
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Project in progress	0.02	0.12	13.03	29.04	42.21
Projects temporarily suspended	0	0	0	0	-
Total	0.02	0.12	13.03	29.04	42.21

6. Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2022:

INR in crores

CWIP	To be completed in			
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years
Cement Grinding Unit at Surat	-	-	42.21	-

**Note - 2 - Property, Plant and Equipment:
Previous Year**

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2020	Additions	Disposals / Adjustments	As on 31st March 2021	Upto 31.03. 2020	Charge for the year	Disposals / Adjustments	As on 31st March 2021	W.D.V as on 31st March 2021	W.D.V as on 31st March 2020
Own Assets										
Freehold land	332.36	-	-	332.36	-	-	-	-	332.36	332.36
Building	175.52	0.09	0.50	175.11	76.78	5.38	0.13	82.03	93.08	98.74
Leasehold Improvements	4.87	-	-	4.87	0.59	0.48	-	1.07	3.81	12.03
Plant and Equipment	2,338.66	3.66	6.18	2,336.14	1,109.03	51.43	0.96	1,159.50	1,176.64	4.28
Furniture and Fixtures	23.28	-	-	23.28	10.00	1.06	-	11.07	12.22	1,229.63
Vehicles	20.74	1.01	0.10	21.65	13.21	1.82	0.07	14.96	6.69	13.28
Office Equipment	2.65	0.02	-	2.67	1.85	0.27	-	2.12	0.55	7.54
Electrical Installations	115.22	-	-	115.22	109.76	0.66	-	110.42	4.80	0.80
Laboratory Equipment	2.12	-	-	2.12	1.36	0.19	-	1.55	0.57	5.46
Computers	9.81	0.29	-	10.10	8.53	0.56	-	9.09	1.01	0.76
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	0.00	1.28
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	3,025.37	5.07	6.78	3,023.66	1,331.20	61.86	1.16	1,391.91	1,631.76	1,706.20
Right of Use Assets										
Building	13.53	4.94	2.88	15.58	1.50	1.49	1.11	1.87	13.71	0.00
Plant & Machinery		6.96	-	6.96	-	0.35	-	0.35	6.62	0.00
Sub-total	13.53	11.90	2.88	22.55	1.50	1.84	1.11	2.22	20.33	0.00
TOTAL	3,038.90	16.97	9.66	3,046.21	1,332.70	63.70	2.28	1,394.13	1,652.08	1,706.20
Capital work-in-progress	1,004.13	333.71	0.00	1,337.84	-	-	-	-	1,337.84	1,004.13
TOTAL	4,043.04	350.68	9.66	4,384.05	1,332.70	63.70	2.28	1,394.13	2,989.93	2,710.34

Notes :

- It includes INR 91.73 Crore Borrowing cost capitalised during FY 2020-21 (FY 2019-20 INR 54.14 Crore)
- Refer Note 13 regarding information for Assets Hypothecation/ Pledged for Borrowings
- Refer Note 36 regarding Capital Commitment for Property, Plant & Equipment
- Refer Note 45 regarding accounting of leases

5. Ageing of Capital Work in Progress as on 31.03.2021

INR in crores

CWIP	Amount of CWIP for a period of				
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Project in progress	333.71	567.31	143.24	293.58	1,337.84
Projects temporarily suspended	0	0	0	0	-
Total	333.71	567.31	143.24	293.58	1,337.84

6. Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2021:

INR in crores

CWIP	To be completed in			
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years
Clinker capacity of 3.3 MTPA	977.11	-	-	-
Thermal plant 68.5 MW	220.87	-	-	-
Cement capacity of 2 MTPA	48.56	-	-	-
Cement Grinding Unit at Surat	-	-	42.19	-

Note - 3 - Deferred tax Assets / (Liabilities):

INR in crores

Component of Deferred Tax Assets (Net) is produced as under:

Particulars	As at 31 Mar 22	As at 31 Mar 21
Deferred tax Assets (DTA)		
Unabsorbed depreciation	115.07	121.59
Others	147.54	122.66
Total Deferred tax Assets (DTA)	262.61	244.25
Deferred tax Liabilities (DTL)		
Difference between Tax Depreciation & Book Depreciation	(225.67)	(192.66)
Deferred tax Liabilities (DTL)	(225.67)	(192.66)
Net deferred tax Assets	36.94	51.59
Total Deferred tax Assets (A + B)	36.94	51.59

INR in crores

Particulars	As at 31 Mar 22	As at 31 Mar 21
Note - 4		
Other Non Current assets:		
Unsecured, considered good		
Capital Advances	7.83	5.66
Advance Income tax/TDS/TCS	2.21	2.59
Total	10.04	8.25
Note - 5		
Inventories:		
Raw Materials	9.68	7.59
Fuel Stock	34.81	57.64
Work-in-progress	3.40	0.42
Finished goods	56.05	41.51
Stores, spares and components (including packing material)	219.85	243.93
Total	323.79	351.08
Refer Note 13 regarding information for Hypothecation / Pledge of Inventory or Borrowings		
Refer Note 1 (K) for valuation of Inventory		

INR in crores

Particulars	As at 31 Mar 22	As at 31 Mar 21
Note - 6		
Trade Receivables:		
Unsecured, Considered Good		
From related parties	-	-
From others	93.09	49.47
Less : Allowance for Expected Credit Loss	(0.42)	(0.52)
	92.67	48.95
Refer Note 13 regarding information for Hypothecation / Pledge of Trade Receivables for Borrowings		

Trade Receivables Ageing as at 31st March 2022:

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year Total	> 3 year	
Undisputed Trade receivables - considered good	89.95	0.42	0.58	0.37	0.38	0.71	92.41
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	0.00
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	0.00
Disputed Trade receivables - considered good	-	-	0.07	-	-	0.19	0.00
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	0.00
Total	89.95	0.42	0.65	0.37	0.38	0.90	92.67

Trade Receivables Ageing as at 31st March 2021:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year Total	> 3 year	
Undisputed Trade receivables - considered good	0.09	45.03	1.89	1.06	0.20	0.38	48.65
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	0.00
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	0.00
Disputed Trade receivables - considered good	-	-	0.00	0.11	-	0.19	0.30
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	0.00
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	0.00
Total	0.09	45.03	1.89	1.17	0.20	0.57	48.95

Particulars	INR in crores	
	As at 31 Mar 22	As at 31 Mar 21
Note - 7		
Cash and Cash Equivalent:		
Balances with banks		
In current accounts	0.00	0.99
Cash in hand	0.14	0.16
Total	0.14	1.15
Note - 8		
Bank balances other than Cash and Cash Equivalent:		
Margin money *	44.46	29.89
Fixed deposits having original maturity more than 3 months but less than 12 months	1.13	2.00
Total	45.59	31.89
* Margin Money represents security deposited against borrowings / Non funded exposures from banks / financial institutions		
Note - 9		
Other Financial assets:		
Unsecured, Considered Good		
Security Deposits	29.57	29.38
Total	29.57	29.38
Note - 9		
Other Current assets:		
Unsecured, Considered Good		
Advances to employees	0.47	0.15
Advance to suppliers and contractors	8.34	30.23
Deposit with Government Department (Refer note – 36)	47.42	46.11
Others	15.53	15.40
Total	71.76	91.89

INR in crores

Note - 11 - Share Capital:

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of INR 10/- each	350,000,000	350.00	350,000,000	350.00
Preference shares of INR 100/- each	20,000,000	200.00	20,000,000	200.00
		550.00		550.00
Issued share capital				
Equity shares of INR 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
		251.00		251.00
Subscribed and Fully paid up share capital				
Equity shares of INR 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
	251,000,000	251.00	251,000,000	251.00
Total share capital	251,000,000	251.00	251,000,000	251.00

Note (a) : The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	251,000,000	251.00	251,000,000	251.00
Changes in equity share capital during the year.	-	-	-	-
Balance at the end of the reporting period	251,000,000	251.00	251,000,000	251.00

Notes :

A. Terms, Rights and restrictions attached to equity shares

The Company has one class of equity shares having par value of INR 10 per share. Each member is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

B. The details of Shareholders holding more than 5 % of Shares

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of shares	% of Total paid up Equity Share Capital	No. of shares	% of Total paid up Equity Share Capital
Equity shares				
Samruddhi Investors Services Private Limited	61,533,791	24.52	61,533,791	24.52
Ravi Sanghi	49,869,750	19.87	49,869,750	19.87
	111,403,541	44.39	111,403,541	44.39

INR in crores

Note - 11 - Share Capital: (Contd.....)

C. For the period of preceeding five years as on the Balance Sheet date:

a)	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
b)	Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
c)	Aggregate number and class of shares bought back	Nil

D. Shareholding of Promotors

Promoter Name	31 Mar 22		31 Mar 21		% change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Sri Ram Sharan Sanghi	187,000	0.07%	187,000	0.07%	0.00
Sri Ravi Sanghi	49,869,750	19.87%	49,869,750	19.87%	0.00
Sri Gireesh Sanghi	1,342,478	0.53%	1,342,478	0.53%	0.00
Smt. Kamala Rani Sanghi	140,250	0.06%	140,250	0.06%	0.00
Smt. Anita Sanghi	1,020,200	0.41%	1,020,200	0.41%	0.00
Smt. Alka Sanghi	1,074,150	0.43%	1,074,150	0.43%	0.00
Ms. Ekta Sanghi	343,750	0.14%	343,750	0.14%	0.00
Ms. Aarti Sanghi	343,750	0.14%	343,750	0.14%	0.00
Sri Gireesh Sanghi HUF	7,866,000	3.13%	7,866,000	3.13%	0.00
Sri Aditya Sanghi	8,892,500	3.54%	4,959,500	1.98%	1.56
Sri Alok Sanghi	8,892,500	3.54%	4,959,500	1.98%	1.56
Sri Ashish Sanghi	2,639,710	1.05%	2,639,500	1.05%	0.00
Sri Gaurav Sanghi	2,647,300	1.05%	2,639,500	1.05%	0.00
SZF Private Limited	6,884,000	2.74%	6,884,000	2.74%	0.00
Sanghi Threads Private Limited	1,754,000	0.70%	1,754,000	0.70%	0.00
Sanghi Filaments Private Limited	2,287,500	0.91%	2,287,500	0.91%	0.00
Sanghi Poly Zips Private Limited	1,482,500	0.59%	1,482,500	0.59%	0.00
Sanghi Synthetics Private Limited	1,675,000	0.67%	1,675,000	0.67%	0.00
Alpha Zippers Private Limited	1,675,000	0.67%	1,675,000	0.67%	0.00
Fancy Zippers Private Limited	1,468,750	0.59%	1,468,750	0.59%	0.00
Balaji Zippers Private Limited	2,775,000	1.11%	2,775,000	1.11%	0.00
SKK Zippers Private Limited	3,575,000	1.42%	3,575,000	1.42%	0.00
Maruti Fastners Private Limited	1,468,750	0.59%	1,468,750	0.59%	0.00
Sanghi Polymers Private Limited	4,700,000	1.87%	4,700,000	1.87%	0.00
Samruddhi Investors Services Private Limited	61,533,791	24.52%	61,533,791	24.52%	0.00
Sri Ravi Sanghi HUF	0	0.00%	7,866,000	3.13%	(3.13)
Total	176,538,629	70.33%	176,530,619	70.33%	0.00

INR in crores

Note - 12 - Other Equity

Particulars	As at 31 Mar 22	As at 31 Mar 21
Security Premium		
Opening Balance as per last accounts	409.34	409.34
Addition during the year	-	-
Utilised during the year	-	-
Closing Balance	409.34	409.34
Capital Redemption Reserve		
Opening Balance as per last accounts	84.84	84.84
Addition during the year	-	-
Closing Balance	84.84	84.84
Debenture Redemption Reserve		
Opening Balance as per last accounts	-	22.77
Addition during the year	-	-
Transferred to retained earnings	-	(22.77)
Closing Balance	-	-
Retained Earnings		
Opening Balance as per last accounts	1,048.52	947.57
Total Comprehensive Income for the year	40.62	78.19
Transferred from Debenture Redemption Reserve	0.00	22.77
Closing Balance	1,089.14	1,048.52
Other Comprehensive Income		
Opening Balance as per last accounts	0.03	(0.16)
Total Comprehensive Income for the year	(0.13)	0.19
Closing Balance	(0.10)	0.03
Total Other Equity	1,583.23	1,542.74

Description of Reserve**Security Premium**

Security Premium is used to record the premium on the issue of shares / securities. This amount is utilised in accordance with the provisions of the Companies Act, 2013

Capital Redemption Reserve

In accordance with applicable provisions of the Companies Act, 2013 read with the rules, Company has created Capital Redemption Reserve for capital redeemed by the company and the same will be utilised in accordance with the provisions of the Companies Act, 2013

Debenture Redemption Reserve

Ministry of Corporate Affairs has notified Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of listed companies. Accordingly, the Company has not created any Debenture Redemption Reserve from financial year 2019-20 onwards. Further, the outstanding balance of Debenture Redemption Reserve created upto 31 March 2019 has been transferred to retained earnings on account of redemption of debentures during previous financial year.

INR in crores

Note - 13 - Financial Liabilities : Borrowings:

Particulars	As at 31st March, 22			As at 31st March, 21		
	Non-Current	Current	Current Maturities of Long Term Borrowings	Non-Current	Current	Current Maturities of Long Term Borrowings
a) Working Capital Loans						
Secured – From Banks ¹	-	280.28	0.00	-	283.53	0.00
b) Term Loans						
Secured – From Banks ¹	416.16	0.00	63.21	467.42	0.00	45.45
Secured – From Others ²	285.90	0.00	26.31	290.77	0.00	7.01
c) Loan from related party						
Unsecured ³	7.18	0.00	0.00	7.18	-	0.00
d) Debentures (Secured)						
15% Redeemable, Non-convertible Debentures of INR 10,00,000/- each ⁴	299.27	0.00	0.00	293.72	-	0.00
TOTAL	1,008.51	280.28	89.52	1,059.08	283.53	52.46

Details of Short term Borrowings	31.03.2022	31.03.2021
Current Borrowings	280.28	283.53
Current Maturities of Long term Borrowings	89.52	52.46
Total	369.80	336.00

Disclosures on borrowings for March 2022

Loan	Security	Repayment terms	As at 31st March, 22		
			Non-Current	Current	Current Maturities on Long Term Borrowings
1. Loan from Banks					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 8.80% to 11.40 %	Repayable on demand.	0.00	280.28	0.00
Term Loans	First Pari-passu Charge on Fixed Assets. The rate of interest is 9.95%	Repayable from April 2019 to October 2024.	55.23	0.00	31.83
	First exclusive charge on ships. The rate of interest ranges from 2.81 % to 2.96%	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	2.92	0.00	5.56
	First exclusive charge on Ship Loader. The rate of interest is 8.21%	Repayable from June 2021 to March 2026.	2.61	0.00	0.74
	First Pari-passu Charge on Fixed Assets. The rate of interest ranges from 9.75% to 10.60%	32 quarterly instalments starting from Oct '2022 Qtr	353.64	0.00	24.00
	Hypothecation of cars The rate of interest ranges from 7.85% to 9.80%	Equated Monthly installments.	1.76	0.00	1.08
2. Loan from Others	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.42	0.00	0.08
	First Pari-passu Charge on Fixed Assets	Equated Monthly installments starting from November 2017 to July 2024	10.17	0.00	7.47
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	275.32	0.00	18.76
3. Loan from related parties	Unsecured Loan	February' 2031	2.18	0.00	0.00
	Unsecured Loan	February' 2031	5.00	0.00	0.00
4. 15% Redeemable, Non-convertible Debentures	First Pari-passu Charge on Fixed Assets	Payable over 14 quarterly instalments starting from 22 nd Nov 2023	299.27	0.00	0.00
Total			1008.51	280.28	89.52

Disclosures on borrowings for March 2021

Loan	Security	Repayment terms	As at 31st March, 21		
			Non-Current	Current	Current Maturities on Long Term Borrowings
1. Loan from Banks					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 8.45% to 10.80 %	Repayable on demand	0.00	283.53	0.00
Term Loans	First Pari-passu Charge on Fixed Assets. The rate of interest is 9.95 %	Repayable from April 2019 to October 2024.	79.52	0.00	38.95
	First exclusive charge on ships. The rate of interest ranges from 2.81 % to 2.96%	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	8.21	0.00	5.51
	First Pari-passu Charge on Fixed Assets. The rate of interest ranges from 9.75% to 10.60%	32 quarterly instalments starting from Oct '2022 Qtr	376.84	0.00	0.00
	Hypothecation of cars The rate of interest ranges from 7.85% to 9.80%	Equated Monthly installments.	2.85	0.00	0.99
2. Loan from Others	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.45	0.00	0.07
	First Pari-passu Charge on Fixed Assets	Equated Monthly installments starting from November 2017 to July 2024	17.56	0.00	6.75
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.00	0.00	0.19
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	272.76	0.00	0.00
3. Loan from related parties	Unsecured Loan	February' 2031	2.18	0.00	0.00
	Unsecured Loan	February' 2031	5.00	0.00	0.00
4. 14% Redeemable, Non-convertible Debentures	First Pari-passu Charge on Fixed Assets	Payable over 14 quarterly instalments starting from 22 nd Nov 2023	293.71	0.00	0.00
Total			1059.08	283.53	52.46

Particulars	INR in crores	
	As at 31 Mar 22	As at 31 Mar 21
Note - 14		
Lease Liabilities		
Total Lease Obligations	18.41	19.99
Less: Current Maturities of Lease Obligation	(1.26)	(1.58)
Total	17.15	18.41
Note - 15		
Trade payables		
(a) Dues of Micro and Small Enterprises*	0.00	0.00
(b) Dues of creditors other than Micro and Small Enterprises	78.10	0.00
Total	78.10	0.00
* No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The said information is based on the records maintained by the Company of its suppliers.		

Ageing of Trade Payables as on 31.03.2022

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	78.10	-	-	-	-	78.10
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2021

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

Particulars	INR in crores	
	As at 31 Mar 22	As at 31 Mar 21
Note - 16		
Other financial liabilities:		
Security Deposits from Customers and Contractors/Transporters	53.69	58.85
Total	53.69	58.85

INR in crores

Particulars	As at 31 Mar 22	As at 31 Mar 21
Note - 17		
Long term provisions:		
Employee benefits		
Gratuity	5.70	5.59
Leave encashment	1.63	1.70
Sick Leave	0.28	0.35
Other provisions		
Asset retirement obligation	0.09	0.08
Mines restoration	0.20	0.20
District Mineral Fund	0.11	0.11
National Mineral Exploration Trust	0.45	0.42
Electricity Duty	26.89	28.55
Total	35.35	37.00
Movement of provisions during the year as required by Indian Accounting Standard (Ind AS) 37 " Provisions, Contingent Liabilities and Contingent Assets		
Provision for asset retirement obligation		
Opening Balance	0.08	0.08
Add: Provision during the year	0.01	0.00
Less: Utilisation during the year		
Closing Balance	0.09	0.08
Provision for Mines Restoration Expenses		
Opening Balance	0.20	0.19
Add: Provision during the year	0.00	0.01
Less: Utilisation during the year	0.00	0.00
Closing Balance	0.20	0.20
Provision for District Mineral Fund		
Opening Balance	0.11	0.11
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year	0.00	0.00
Closing Balance	0.11	0.11
Provision for National Mineral Exploration Trust		
Opening Balance	0.42	0.42
Add: Provision during the year	0.45	0.00
Less: Utilisation during the year	0.42	0.00
Closing Balance	0.45	0.42
Provision for Electricity Duty		
Opening Balance	28.55	29.35
Less: Reversal during the year	0.36	-
Less: paid during the year	1.30	0.80
Closing Balance	26.89	28.55

INR in crores

Particulars	As at 31 Mar 22	As at 31 Mar 21
Note - 18		
Lease Liabilities		
Current Maturities of Lease Obligation	1.26	1.58
Total	1.26	1.58
Note - 19		
Current financial liabilities : Trade payables		
(a) Dues of Micro and Small Enterprises*	0.03	0.17
(b) Dues of creditors other than Micro and Small Enterprises	270.69	137.62
Total	270.72	137.79
* No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The said information is based on the records maintained by the Company of its suppliers.		

Ageing of Trade Payables as on 31.03.2022

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.03	-	-	-	0.03
(ii) Others	53.37	189.83	7.63	4.28	1.59	256.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	12.77	1.22	-	-	13.99

Ageing of Trade Payables as on 31.03.2021

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.17	-	-	-	0.17
(ii) Others	75.07	54.53	7.33	0.69	0.00	137.62
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

INR in crores

Particulars	As at 31 Mar 22	As at 31 Mar 21
Note - 20		
Current financial liabilities : Others		
Interest accrued but not due on borrowings	4.05	2.02
Other payables:		
Salary payable	10.58	8.67
Other Employee Related liabilities	3.77	2.84
Payable for capital goods	14.55	21.85
Other financial liabilities*	15.46	29.35
Total	48.41	64.73
* Other Financial Liability includes purchase invoice discounting of Rs.8.48 Crores (previous year Rs. 12.36 Crores).		
Note - 21		
Deferred Revenue:		
Deferred Revenue	4.78	10.76
Total	4.78	10.76
Note - 22		
Current liabilities : Others		
Advance received from Customers	39.25	19.45
Statutory dues	35.75	21.20
Other Payables	0.02	0.04
Total	75.02	40.68
Note - 23		
Current provisions:		
Employee benefits		
Gratuity	1.69	1.33
Leave Encashment	0.48	0.40
Sick Leave	0.06	0.07
Other provisions		
Provision for Expenses	16.53	43.68
Total	18.76	45.48

Particulars	INR in crores	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Note - 24		
Other Income:		
Interest income	1.48	2.41
Other non-operating income (net)	9.62	6.53
Total Other income	11.10	8.94
Note - 25		
Cost of Materials consumed:		
Opening stock	7.59	2.64
Add: Purchases	63.30	62.10
Less: Closing stock	(9.68)	(7.59)
Total of cost of material consumed	61.21	57.15
Details of Material consumed		
Lime Stone	34.70	21.60
Fly Ash	14.22	15.83
Gypsum	5.91	0.01
Clinker consumed	0.00	5.94
Raw Material for Ready Mix Concrete	0.00	0.82
Other Raw materials	6.38	12.95
Total	61.21	57.15
Note - 26		
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Closing Stock:		
Finished goods	56.05	41.51
Work-in-progress	3.40	0.42
	59.45	41.93
Less: Opening Stock :		
Finished goods	41.51	45.59
Work-in-progress	0.42	0.47
	41.93	46.06
Net decrease / (increase)	(17.52)	4.13
Note - 27		
Employee benefit expense:		
Salaries & Wages and Bonus	61.88	46.07
Contribution to Provident Fund & Other Benefits	0.76	0.81
Staff Welfare Expenses	3.80	0.97
Total of employee benefit expense	66.44	47.85

Particulars	INR in crores	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Note - 28		
Selling expenses:		
Freight outward	249.09	231.73
Stevedoring expenses	17.87	13.80
Sales and promotion expenses	17.55	12.70
Total of selling expenses	284.51	258.23
Note - 29		
Finance costs:		
Interest on Borrowings	73.74	64.71
Other borrowing cost	8.22	8.47
Total of finance Costs	81.96	73.18
Note - 30		
Depreciation & Amortisation Expenses:		
Depreciation & Amortisation Expenses	64.17	63.70
Total of Depreciation & Amortisation expenses	64.17	63.70
Note - 31		
Other Expenses:		
Manufacturing expenses		
Consumption of packing material	27.23	22.23
Consumption of stores and spares	13.57	10.54
Other manufacturing expenses	14.31	7.63
Other operating expenses		
Repairs to plant and machinery	15.21	10.74
Repairs to building	1.98	1.27
Advertisement	3.16	2.72
Audit fees ¹	0.37	0.36
Insurance	3.65	2.88
Foreign exchange loss (net)	0.13	-0.03
Loss on sale of property, plant & equipment (net)	0.00	3.13
Corporate social Responsibility expenses ²	1.57	1.81
Other operating administrative expenses	23.66	16.25
Total of other expenses	104.84	79.53
1. Payment to Statutory Auditors as:		
Payment for Statutory Audit	0.30	0.30
Payment for Limited review	0.07	0.06
	0.37	0.36

Particulars	INR in crores	
	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Note - 32		
Statement of other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(0.18)	0.26
Total	(0.18)	0.26
(II) Income tax related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	0.05	(0.07)
Total	0.05	(0.07)
Net Comprehensive income	(0.13)	0.19
Note - 33		
Earnings per share:		
Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.		
The following reflects the profit and number of shares used in the basic and diluted EPS computations:		
Profit attributable to equity holders (INR in crores)	40.62	78.19
Weighted average number of equity shares used for computing EPS (Basic)	251,000,000	251,000,000
Weighted average number of equity shares used for computing EPS (Diluted)	251,000,000	251,000,000
Earnings per share (Basic) - INR	1.62	3.12
Earnings per share (Diluted) - INR	1.62	3.12

Note - 34 - Financial instruments – Fair values and risk management:**A. Accounting classification and fair values**

The management assessed that fair value of Trade Receivables, Cash and cash Equivalents, Bank Balances, Short Term Borrowings, Trade Payables, Floating rate Borrowings and Fixed rate Borrowings approximate their carrying amounts.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages cash resources, borrowing strategies, and ensures compliance with market risk limits and policies.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees compliance with the company's risk management policies and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease

Cash and other bank balances

The company maintains its Cash and cash equivalents and Bank deposits with banks with good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

The Company's exposure to credit risk is influenced mainly by individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of the customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from the customers in case of wholesale and retail segment, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company and where there is a probability of default, the Company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

As at 31.03.2022	Not due	< 90 days	90-180 days	180-365 days	365-1095 days	>1095 days	Total
Gross carrying amount	89.95	0.24	0.18	0.68	0.84	1.20	93.09
Expected Loss Rate	0.00%	0.00%	2.50%	5.00%	10.00%	25.00%	
Expected Credit Losses	0.00	0.00	0.00	0.03	0.08	0.30	0.42
Carrying amount to trade receivables net of impairment	89.95	0.24	0.18	0.65	0.76	0.90	92.67

As at 31.03.2021	Not due	< 90 days	90-180 days	180-365 days	365-1095 days	>1095 days	Total
Gross carrying amount	0.09	41.99	3.12	1.99	1.51	0.76	49.47
Expected Loss Rate	0.00%	0.00%	2.50%	5.00%	10.00%	25.00%	
Expected Credit Losses	0.00	0.00	0.08	0.01	0.14	0.19	0.52
Carrying amount to trade receivables net of impairment	0.09	41.99	3.04	1.89	1.36	0.57	48.95

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient lines of credit to commensurate its business.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

INR in crores

31 March 22	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note-13)	1,378.31	1,378.31	369.80	157.97	562.67	287.87
Trade payables(Refer note-15 & 19)	348.82	348.82	270.72	78.10	0.00	0.00
Others(Refer note-14,16, 18 and 20)	120.51	120.51	49.67	1.35	56.67	12.82

INR in crores

31 March 21	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note-13)	1,395.08	1,395.08	336.00	87.78	485.94	485.36
Trade payables (Refer note-15 & 19)	137.79	137.79	137.79	0.00	0.00	0.00
Others (Refer note-14,16, 18 and 20)	143.57	143.57	66.32	1.26	62.92	13.07

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. Exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

v. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of its trade receivables, trade payables, borrowings and payables for capital goods in foreign currency. The Company has not used derivative financial instruments either for hedging purpose or for trading or speculative purposes except for forward contracts executed for LC opened in foreign currency.

Forward Exchange Contracts

There is no outstanding Derivatives for hedging currency.

Exposure to currency risk

The currency profile in INR of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

	March 31, 2022 INR	March 31, 2022 USD	March 31, 2022 GBP
Financial assets			
Trade receivables (Refer note - 6)	92.23	0.44	-
Cash and cash equivalents (Refer note – 7)	0.14	-	-
Bank balances other than Cash and Cash Equivalent (Refer note-8)	45.59	-	-
Other Financial Assets (Refer Note - 9)	29.57	-	-
	167.52	0.44	-
Financial liabilities			
Borrowings (Refer note – 13)	1,369.82	8.49	-
Trade payables (Refer note – 15 & 19)	347.70	1.11	0.01
Others (Refer note - 14,16, 18 and 20)	119.19	1.32	-
	1,836.71	10.92	0.01

	March 31, 2021 INR	March 31, 2021 USD	March 31, 2021 GBP
Financial assets			
Trade receivables (Refer note - 6)*	48.25	0.70	
Cash and cash equivalents (Refer note – 7)	1.15	-	-
Bank balances other than Cash and Cash Equivalent (Refer note-8)	31.89	-	-
Other Financial assets (Refer note – 9)	29.38		
	110.67	0.70	-
Financial liabilities			
Borrowings (Refer note – 13)	1,381.36	13.72	-
Trade payables (Refer note – 15 & 19)	110.22	27.57	-
Others (Refer note - 14,16, 18 and 20)	143.47	-	0.11
	1,635.05	41.29	0.11

The following significant exchange rates have been applied during the year.

INR	Year end spot rate	
	March 31, 2022	March 31, 2021
USD 1	75.77	73.50
EUR1	84.66	86.09

INR	Average rate	
	March 31, 2022	March 31, 2021
USD 1	74.73	73.99
EUR1	85.29	85.47

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR of 10% movement	INR
March 31, 2022	
Strengthening	1.05
Weakening	(1.05)

Effect in INR of 10% movement	INR
March 31, 2021	
Strengthening	4.06
Weakening	(4.06)

vi. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. The Company adopts a policy to ensure that it achieves balance between fixed and floating rate.

vii. **Exposure to interest rate risk**

The company uses a mix of fixed rates and floating rates of borrowings. The changes in the floating interest rates are monitored closely.

INR in crores

	Amount	
	31 Mar 22	31 Mar 21
Fixed-rate instruments		
Floating rate borrowings	1,065.68	1,090.17
Fixed rate borrowings	307.63	299.91
	1,373.31	1,390.08

Note : Above does not include interest free loans

viii. **Interest rate sensitivity** The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets effected.

Change in interest rate of 0.50 %	INR
March 31, 2022	
Increase in rate	(0.41)
Decrease in rate	0.41
Change in interest rate of 0.50 %	INR
March 31, 2021	
Increase in Rate	(0.37)
Decrease in Rate	0.37

Note - 35 - Capital Management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's adjusted net long term debt to equity ratio at March 31, 2022 was as follows.

INR in crores

	As at	
	31 Mar 22	31 Mar 21
Total long term debts	1,098.03	1,111.55
Less : Cash and cash equivalents	0.14	1.15
Adjusted net long term debts	1097.90	1,110.40
Total equity	1834.23	1,793.74
Adjusted net long term debts to adjusted equity ratio	0.60	0.62

Note - 36 - Contingent Liabilities:

The claims against the company not acknowledged as debt amount to INR 111.99 Crore (31 March 2021 : INR 106.44 Crore) and interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of INR 45.87 Crore (31 March 2021 : INR 45.49 Crore) with respective authorities as deposit.

INR in crores

Particulars	31 Mar 22	31 Mar 21
Excise & Service Tax	61.67	57.04
Customs	12.41	12.41
Sales Tax	1.76	1.76
Claims of Gujarat Water Supply and Sewerage Board	26.38	26.38
Land Revenue Tax	1.17	1.17
Electricity Duty	3.30	3.30
GST Compensation Cess	2.28	2.26
Other Claims against the Company	3.02	2.12
Total	111.99	106.44

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR NIL (31 March 2021 is INR 39.92 Crore Net of advances).

Bank Guarantee outstanding Rs 2.35 Crore (31 March 2021 Rs 12.86 Crore) and Margin against Bank Guarantee Rs 0.47 Crore (31 March 2021 Rs 11.21 Crore).

Note - 37 - Segment reporting :**(a) Description of segments and principal activities**

The Company is in the business of manufacturing and sale of cement and clinker which is considered to constitute one single primary segment.

(b) Geographical Information

Particulars	Details	
	Revenue	Non Current Assets
Within India		
31 March, 2022	1,075.19	3,252.26
31 March, 2021	922.88	3,049.76
Outside India		
31 March, 2022	65.33	-
31 March, 2021	25.29	-
Total		
31 March, 2022	1,140.52	3,252.26
31 March, 2021	948.17	3,049.76

Domestic revenue includes INR 0.24 Crore self consumption (31 March 2021 : INR 0.31 Crore)

(c) Information about major customers

None of the entity's external customers account for 10 per cent or more of an entity's revenue. (PY - Nil)

Note - 38 - Related party disclosures:**a. Subsidiary Company :**

As on 31st March 2022, the company has no subsidiary company.

b. Key Management Personnel:

Mr. Ravi Sanghi	- Chairman and Managing Director(*)
Mr. Aditya Sanghi	- Whole Time Director(*)
Mr. Alok Sanghi	- Whole Time Director(*)
Mrs. Bina Engineer	- Whole Time Director and Chief Financial Officer (**)
Mr. N. B. Gohil	- Whole Time Director
Mr. D. K. Kambale	- Non Executive Director
Mr. Sadashiv Sawrikar	- Non Executive Director
Mr. D. B. N. Rao	- Non Executive Director
Mr. M. K. Doogar	- Non Executive Director - Ceased to be director w.e.f. 04.05.2021 on account of sad demise
Mr. S. Balasubramarian	- Non Executive Director
Ms. Raina Desai	- Non Executive Director
Mr. Arvind Agarwal	- Non Executive Director - Appointed w.e.f. 12.08.2021
Mr. Anil Agrawal	- Company Secretary

c. M/s Sanghi Energy Limited a group company has given Corporate Guarantee to the Debenture Trustee M/s Vistra ITCL India Ltd. acting for the benefit of the Debentureholders in relation to the issue of listed, rated, secured, redeemable non convertible debentures of an aggregate value of Rs. 305.00 Crores by Sanghi Industries Limited.

d. **The following transactions were carried out with the related parties referred in above in the ordinary course of business :**

INR in crores

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Remuneration (including Managerial Commission)	8.49	7.72
Sitting Fees	0.15	0.10
Loan from Sh. Alok Sanghi	-	5.00
Loan from Sanghi Energy Limited	-	2.18
Interest on Loan from Sanghi Energy Limited	0.17	0.02
Total	8.81	15.02

Due to Covid-19 pandemic and consequent Lockdown, Promoters Directors have foregone their salary from the month of April-2020 to June-2020 and also forgone their 25% Salary from July-2020 to September- 2020. Other functional directors have also foregone their 30% salary from the month of April-2020 to June-2020 and 25% Salary from July-2020 to September-2020.

Remuneration includes commission to key managerial persons (* and **) INR 1.46 Crore (31 March 2021 : INR 2.89 Crore).

e. **The following are the outstanding balances for the related parties referred above in the ordinary course of business :**

INR in crores

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Remuneration payable (including Managerial Commission)	3.64	2.78
Loan from Sh. Alok Sanghi	5.00	5.00
Loan from Sanghi Energy Limited	2.18	2.18
Interest Payable on Loan from Sanghi Energy Limited	0.17	0.02
Total	10.99	9.98

Note - 39 - Operating lease:

The company has taken certain assets on operating lease which are cancellable. During the year company has paid INR 1.52 Cr. (FY 20-21 INR 1.47 Cr.) towards cancellable operating lease. There are no operating leases which are non cancellable.

Note - 40 - Gratuity and other post employment benefit plans:

The Company operates post employment and other long term employee benefits defined plans as follows:

I. Defined Contribution Plan **INR in crores**

Description	31 Mar 22	31 Mar 21
Employer's Contribution to Provident Fund	0.66	0.70

II. Unfunded

- i. Gratuity
- ii. Leave encashment benefit

III. Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

INR in crores

Description	Gratuity		Leave encashment	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
1. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	6.93	6.52	2.10	2.13
b. Current Service Cost	0.63	0.68	0.42	0.41
c. Past Service cost				
d. Interest Cost	0.48	0.45	0.14	0.15
e. Actuarial (Gain)/Loss	0.18	(0.26)	0.02	(0.30)
f. Benefits Paid	(0.83)	(0.46)	(0.57)	(0.29)
g. Obligation as at the end of the year	7.39	6.93	2.11	2.10
2. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
b. Present Value of Obligation as at the end of the year	7.39	6.93	2.11	2.10
c. Amount recognised in the Balance Sheet	(7.39)	(6.93)	(2.11)	(2.10)
3. Expense recognised during the year in Statement of Profit & Loss				
a. Current Service Cost	0.63	0.68	0.42	0.41
b. Actuarial (gain)/loss	0.18	(0.26)	0.02	(0.30)
c. Interest Cost	0.48	0.45	0.14	0.15
d. Expense recognised during the year	1.29	0.87	0.58	0.26
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	0.18	(0.26)	0.02	(0.30)
5. Actuarial Assumptions				
a. Discount Rate (per annum)	7.15%	6.86%	7.15%	6.86%
b. Salary escalation	3.00%	3.00%	3.00%	3.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2012-14 (Urban)) - Previous Year (Mortality 2006-2008 ult)	Urban	Ultimate	Urban	Ultimate

IV. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

INR in crores

Particulars	31 Mar 22	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.35)	0.39
Salary growth rate (1% movement)	0.36	(0.33)

INR in crores

Particulars	31 Mar 21	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.36)	0.40
Salary growth rate (1% movement)	0.37	(0.34)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

Note - 41:

Balance of trade receivables, trade payables, advances and deposits are subject to confirmation and reconciliation, if any.

Note - 42:

Disclosures as required under Ind-As 115 – Revenue from Contracts with Customers

- (i) Bifurcation of total revenue from contracts with customer as per Ind As 115 is given below:
Revenue from contracts with customers INR 1122.69 crore
- Recognised from contract liability of the previous year INR 19.45 crore
 - Contract liability outstanding as at year end INR 39.25 crore
 - Recognised from the performance obligation satisfied in current year INR 10.76 crore
 - Recognised from the contracts entered in current year INR 1131.73 crore
- (ii) Performance Obligation pending at year end for which revenue is to be recognised in next financial year is INR 4.78 crore.
- (iii) The company classify the right to receive consideration as trade receivables.
- (iv) Sale of goods to customers are made at fixed rate.

Note - 43 - Research and Development Cost:

During the year company has incurred INR 1.18 crore towards Research and Development.

Capital Expenditure INR NIL (Previous Year INR NIL)

Recurring Expenditure INR 1.18 crore (Previous Year INR 1.23 crore)

Note - 44 - Dues to Micro and Small Enterprises:

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSME Act). The information as per requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act 2006 as below :

INR in crores

Particulars	31 Mar 22	31 Mar 21
Principal amount due to supplier under the MSMED Act and remaining unpaid as at year end.	0.03	0.17
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note - 45 - Disclosure as per Ind AS 116 'Leases':**Company as Lessee:**

- (i)
- The following are the carrying amounts of lease liabilities recognised and the movements during the period:**

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Opening Balance	19.99	12.58
- Additions in lease liabilities	0	11.9
- Interest cost during the year	2.24	2.23
- Payment of lease liabilities	3.82	4.71
- Termination of lease liabilities	0	2.01
Closing Balance	18.41	19.99
Current	1.26	1.58
Non Current	17.15	18.41

- (ii)
- Maturity Analysis of the lease liabilities:**

Contractual undiscounted cash flows	As at 31 March 2022	As at 31 March 2021
3 months or less	0.84	0.96
3-12 Months	2.51	2.87
1-2 Years	3.29	3.34
2-5 Years	7.95	9.44
More than 5 Years	29.10	30.90
Undiscounted Lease liabilities as at 31 March 2022	43.69	47.51

- (iii)
- The following are the amounts recognised in profit or loss:**

Particulars	For the year ended 31 Mar 22	For the year ended 31 Mar 21
Depreciation expense for right-of-use assets	2.48	1.84
Interest expense on lease liabilities	2.24	2.23
Expense relating to short-term leases	1.52	1.47

- (iv)
- The following are the amounts disclosed in the cash flow statement:**

Particulars	As at 31 March 2022	As at 31 March 2021
Cash Outflow from leases	3.82	4.71

Note - 46 - Reconciliation of tax expenses and effective tax rate:

	2021-22		2020-21	
	in crore	In %	in crore	In %
Profit before tax expenses	56.75		112.58	
Tax expenses at statutory income tax rate	14.28	25.17%	28.34	25.17%
Adjustments of tax related to Earlier Years	1.53		-	
Others Adjustments	0.28		6.12	
Tax expenses	16.09		34.46	
Tax expenses reported in statement of profit or loss	16.09	28.36%	34.46	30.61%

Note- 47 - COVID 19:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the audited financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these audited financial results and current indicators of future economic conditions.

Note - 48:

During the previous year, company has opted for shifting to lower tax rate regime along with consequent reduction in certain tax incentives including lapse of the accumulated MAT Credit in pursuance of section 115BAA of the Income Tax Act. Accordingly, during the quarter and year ended 31st March 2021, derecognition of MAT Credit of ₹ 27.53 Crores has been made in the accounts. Further the current tax and deferred tax liability has been recognised based on above provisions.

Note- 49:

The Indian Parliament has approved the Code on Social Security 2020 ("the Code") which, inter-alia, deals with employee benefits during employment and post-employment. Effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

Note - 50 - Corporate Social Responsibility Expenses (CSR):

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

INR in crores

Particulars	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
A. Amount required to be spent during the year		
(i) Gross amount (2% of average net profit as per Section 135 of Companies Act,2013)	1.54	1.41
(ii) Surplus arising out of CSR projects	-	-
(iii) Set off available from previous year	-	-
(iv) Total CSR obligation for the year [(i)+(ii) -(iii)]	1.54	1.41
B. Amount approved by the Board to be spent during the year	1.57	1.81
C. Amount spent during the year on:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	1.57	1.81
Total	1.57	1.81
D. Set off available for succeeding years	-	-
E. Amount unspent during the year	-	-

Note - 50 - Corporate Social Responsibility Expenses (CSR): (Contd.....)**i) Amount spent during the year ended 31 March 2022: INR in crores**

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	1.57	-	1.57

Amount spent during the year ended 31 March 2021: INR in crores

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	1.81	-	1.81

ii) Details of contribution to a trust controlled by the company in relation to CSR expenditure:

INR in crores

Particulars	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
Contribution given to Trust	0.57	0.67

iii) Break-up of the CSR expenses under major heads is as under:

INR in crores

Particulars	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
1. Health Care to economically backward people	0.31	0.34
2. Educational facilities to economical backward and rural children	0.30	0.42
3. Greenbelt development	0.55	0.91
4. Measures taken for prevention of COVID 19	0.41	0.14
Total	1.57	1.81

Note - 51 - Additional disclosures as required under schedule III of the Companies Act 2013.

- Title deeds of all immovable properties are held in name of the Company as at 31st March 2022.
- The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
- The Company has not revalued any of its Property, Plant & Equipment and including Right of use assets in the current year & previous year.
- The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988.

- 6) Company is not having any transaction with the Companies struck off under the Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956 except as below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
Sarvodaya Shares and Stocks Broking Private Limited	Shares Held	#	Share Holder

Amount is less than Rs. 50,000/-

- 7) There are no charges or satisfaction which are to be registered with ROC beyond statutory period.
- 8) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- 9) The Company has filed quarterly returns or statements with the banks who have sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of	Amount as reported account in the quarterly returns and statement	Amount of difference	Remarks
Inventories & Trade Receivables	June 2021	402.14	438.03	35.89	Amount reported in statements filed with banks are based on provisional accounts.
	Sept 2021	405.24	421.1	15.86	
	Dec 2021	470.74	480.93	10.19	
	Mar 2022	416.46	401.26	-15.2	
Trade Payables *	June 2021	82.15	78.80	-3.35	Amount reported in statements filed with banks are based on provisional accounts.
	Sept 2021	65.36	62.99	-2.37	
	Dec 2021	98.35	95.72	-2.63	
	Mar 2022	100.28	92.83	-7.45	
*Excluding amount payables for post-production activities, project and long term Trade Payables as per the consistent practice followed by the company and accepted by its lender.					

- 10) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.
- 11) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 12) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 13) The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- 14) The company has not traded or invested in Cyprto Currency or Virtual Currency during the financial year.
- 15) There were no scheme of Arrangements approved by the competent authority during the year in terms of section 230 to 237 of the Companies Act, 2013.

16)

Performance Ratio's

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.71	0.87	-17.90%	
Debt-equity ratio	Paid-up debt capital (Long term borrowings +Short term borrowings)	Shareholder's Equity (Total Equity)	0.75	0.78	-3.38%	
Debt service coverage ratio	(Profit After Tax+Interest + Depreciation + Loss/(Gain) on Sale of Property Plant &	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	1.44	2.07	-30.62%	EBITDA has decreased mainly due to substantial increase in power and fuel cost on account of volatile coal price and supply
Return on equity ratio	Profit for the year Equity	Average Shareholder's	2.24%	4.46%	-49.75%	Due to lower operating profit
Inventory turnover ratio	Revenue from operations	Average Inventory	3.35	2.65	26.09%	Due to better utilisation of inventory and lower fuel stock
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	15.95	21.27	-25.00%	Due to longer credit period offered
Trade payables turnover ratio	Total Purchases (for Material Consumed)+ Other Expenses (excluding non-cash item)+Closing Inventory* *(Inventory excluding Finished Goods & Stock in Process)	Average Trade Payables	3.47	4.80	-27.71%	Due to increase in power and fuel cost and corresponding payables
Net capital turnover ratio	Revenue from operations	Working Capital	#	#	-	
Net profit ratio	Profit for the year	Revenue from operations	3.60%	8.32%	-56.80%	Due to lower operating profit
Return on capital employed	Earning before interest and taxes	Capital Employed = (Networth + Total Debt + DTL)	4.32%	5.83%	-25.88%	Due to lower operating profit

Working Capital is negative

Note - 52 – Standards Issued but not effective:

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

Note - 53 – Corresponding figures of previous year have been regrouped / rearranged wherever necessary.

As per report of even date

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W/W100355

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Mumbai

Place : Ahmedabad
Date : 24th May, 2022

For S. K. Mehta & Co,
Chartered Accountants
FRN No. 000478N

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
Alok Sanghi	- Executive Director
Bina Engineer	- Executive Director & CFO
N.B. Gohil	- Executive Director
Sadashiv Sawrikar	- Independent Director
D.K. Kambale	- Independent Director
D.B.N. Rao	- Independent Director
S. Balasubramanian	- Independent Director
Arvind Agarwal	- Independent Director
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary



Turning Dreams into Concrete Reality

Sanghi Industries Limited

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Website : www.sanghiment.com